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Industrial Development Board

Twenty-eighth session
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Item 5 of the provisional agenda

MEDIUM-TERM PROGRAMME FRAMEWORK, 2004-2007

Implementation of the medium-term programme framework, 2004-2007

Report by the Director-General

Reports on the implementation of measures contained in resolution GC.10/Res.2, in compliance with that resolution.

I. INTRODUCTION: THE CONTEXT

1. This document is issued in accordance with resolution GC.10/Res.2 on the medium-term programme framework (MTPF) for 2004-2007. This resolution took note with appreciation of the information provided in document GC.10/14 concerning the medium-term programme framework, 2004-2007. It also took into account the broader development objectives established by the international community, in particular through the Millennium Development Goals derived from the Millennium Declaration adopted by the United Nations Millennium Summit in September 2000, but also through other initiatives, and gave due consideration to the provisions of the multilateral environmental agreements which impinge on the industrial sector. Noting the implications of global economic, industrial and technological trends for the support services delivered by UNIDO, and the importance of linking UNIDO's programme activities to national poverty reduction strategies wherever possible, the resolution recognized the extensive experience and expertise of UNIDO in promoting industrial development and especially the successes achieved in the past six years.

2. In this context, the resolution confirmed that the Business Plan on the Future Role and Functions of UNIDO continued to provide the basis for the programmatic activities of UNIDO and took note with interest of the corporate strategy introduced by the Director-General to the Industrial Development Board at its twenty-seventh session. It expressed its support for UNIDO's efforts to achieve a greater synergy between its global forum and technical cooperation activities, and approved UNIDO's proposal to focus its services on a selected number of priority areas as outlined in document GC.10/14, thus enhancing the impact of UNIDO's services in the field. It also requested the Director-General to take into account when implementing the technical assistance and research programme during 2004-2007 the Strategic Guidelines "Towards improved UNIDO programme delivery" and documents GC.10/14 and GC.10/CRP.4. In addition, the resolution invited the Director-General to develop a strategic long-term vision statement, possibly in time for the next General Conference, and encouraged him to carry forward the process of decentralization to the field and further strengthen and rationalize the field operations of the Organization.

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3. Finally, the resolution requested the Director-General to report regularly to the Industrial Development Board and to the General Conference at its eleventh session on its implementation. This document represents a response to that request.

II. IMPLEMENTATION MEASURES TAKEN TO DATE

4. A number of important preparatory measures have been taken in the short period of time that has elapsed since the beginning of the current biennium to ensure that the medium-term programme framework for 2004-2007 will be implemented effectively and in accordance with documents GC.10/14 and GC.10/CRP.4, as required in resolution GC.10/Res.2. These measures, which will be discussed in greater detail below or in separate documents presented to the twenty-eighth session of the Board, cover all of the principal issues raised in GC.10/Res.2, including the operationalization of the corporate strategy, the formulation of an appropriate research agenda, the focusing of UNIDO's services, the full consideration of the Strategic Guidelines in the implementation of these services, the further decentralization of the Organization and the preparation of the strategic vision statement.

5. In the meantime, it may also be borne in mind that, given the rolling nature of the medium-term programme framework, there is a degree of continuity between the medium-term programme framework for 2002-2005 and the newly formulated medium-term programme framework for 2004-2007. The latter represents a refinement rather than a replacement of the former, and is intended to ensure that UNIDO's services remain relevant to the evolving international development agenda and the changing needs of its member states. It is also intended to enable the Organization to provide more focused interventions within the framework of the Strategic Guidelines and new corporate strategy. The revisions to the service modules initiated in the course of formulating the medium-term programme framework for 2004-2007, and the associated efforts to identify areas of emphasis and priority services, may be seen in this context.

Technical cooperation services

6. In accordance with the references to the need to operationalize the corporate strategy and focus UNIDO's services on a selected number of priority areas as outlined in document GC.10/14 and the related conference room paper GC.10/CRP.4, the Director-General has issued a document for internal distribution throughout UNIDO entitled *Operationalizing UNIDO's Corporate Strategy—Services and Priorities for the Medium Term 2004-2007*. This document brings together the UNIDO corporate strategy and the refined service modules, areas of emphasis, priority services and research programme contained in documents GC.10/14 and GC.10/CRP.4 submitted to the General Conference, together with a foreword by the Director-General. In this foreword the Director-General stresses that the substance of UNIDO's activities during 2004-2007 will be determined by the detailed presentation of the services, research programme and priorities contained in the document. Related measures are also being put in place to ensure that UNIDO's procedures for funds mobilization and programme/project formulation, approval, review and evaluation are adjusted accordingly.

7. It may also be noted in this context that special care was taken to incorporate the guidance given by the Member States in the Strategic Guidelines "Towards improved UNIDO programme delivery" in formulating the refined service modules, areas of emphasis, priority services and research programme that constitute the MTPF for 2004-2007. Specifically, the MTPF for 2004-2007 explicitly seeks to focus and further improve UNIDO's technical cooperation activities in line with available resources as required by the Strategic Guidelines. In addition, the formulation of the MTPF for 2004-2007 was clearly guided by the interests and concerns of developing countries, and the services offered are designed specifically to link with and complement other international development initiatives in such a way that they contribute effectively to the achievement of the Millennium Development Goals. The individual services, and the proposed methods of delivering them, correspond closely to those recommended by the Strategic Guidelines.

Formulation of an appropriate research agenda

8. The responsibility for managing the implementation of the research programme has been assigned to the Strategic Research and Economics Branch, which has begun to formulate a research agenda based on the principles outlined in documents GC.10/14 and GC.10/CRP.4. The Branch is currently preparing a proposal for submission to the Executive Board on the organization of the research programme and on the procedures to be adopted for the approval of individual research projects by the Executive Board. A coordinator has been selected for each research line of the programme, whose responsibilities will be to identify research topics in the respective research lines, to coordinate the research teams, and to support the process of formulation and implementation of the research projects.

Strategic vision statement

9. Preliminary consideration has begun to be given to the formulation of this statement to ensure its completion in time for the eleventh session of the General Conference as called for in GC.10/Res.2.

III. ACTION REQUIRED OF THE BOARD

10. The Board may wish to take note of the information in the present document

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ACTIVITIES OF THE JOINT INSPECTION UNIT

Report by the Director-General

In accordance with Board decision IDB.24/Dec.11, reports on recommendations contained in JIU reports relevant to UNIDO during 2003.

Introduction

1. The Joint Inspection Unit (JIU) became a subsidiary organ of the Industrial Development Board by its decision IDB.1/Dec.22. A pilot scheme of follow-up to JIU recommendations was outlined in document IDB.24/18 and subsequently approved in decision IDB.24/Dec.11. In accordance with the provisions therein, one regular Board session per year will consider JIU reports (except in certain specified cases).

2. A total of seven JIU reports have been issued since the most recent Board document covering this subject (IDB.27/19 dated 1 July 2003). The present document provides the Organization's comments on those reports that are of relevance to UNIDO, as well as an updated status report on the follow-up to the JIU recommendations concerning common and joint services of United Nations system organizations at Vienna (JIU/REP/2002/12), supplementing the information contained in chapter I.F of document IDB.27/19.

3. In accordance with the follow-up system, information on compliance with other JIU recommendations with regard to substantive and thematic issues and follow-up was provided in the annex to document IDB.27/19.

Recent JIU reports

JIU/REP/2003/1*
Review of management and administration in the United Nations Industrial Development Organization (UNIDO)

JIU/REP/2003/2
Review of the United Nations budgetary process

JIU/REP/2003/3
From the Optical Disk System to the Official Documents System (ODS): Status of implementation and evaluation

JIU/REP/2003/4
Multilingualism in the United Nations system: Case study on WHO

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* Indicates a report of direct or some relevance to UNIDO.

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JIU/REP/2003/5
Achieving the primary education goal of the Millennium Declaration: New challenges for development cooperation

JIU/REP/2003/6
Management review of the Office of the High Commissioner for Human Rights

JIU/REP/2003/7
Evaluation of the United Nations Volunteers Programme (UNV)

I. REPORTS SUBMITTED BY THE JOINT INSPECTION UNIT OF DIRECT RELEVANCE TO UNIDO

A. Review of Management and Administration in the United Nations Industrial Development Organization (UNIDO) (JIU/REP/2003/1)

4. During the past several years, JIU has undertaken a series of reviews of administration and management in United Nations specialized agencies. This review was the sixth in this series and was issued as document IDB.27/19/Add.1 of 16 July 2003.

5. The detailed comments of the Director-General on this review were issued as document IDB.27/19/Add.2 of 5 August 2003. An informal briefing of Member States was also held on 15 October 2003 when a number of issues were clarified by the Secretariat and the representative of JIU. The tenth session of the General Conference (1-5 December 2003), in resolution GC.10/Res.10, appreciated the informal briefing and the additional information that was provided by the Secretariat and the JIU representatives. Taking note of the significant reforms of the Organization, the resolution referred specifically to the achievements of the Director-General in driving it through a major organizational and programmatic transformation. It also took note in particular of the process used to appoint senior managers as well as of the accomplishments in improving gender balance. Moreover, the Conference recognized the ongoing efforts and significant achievements of the Organization to reform and strengthen its administration and the implementation capacity.

6. As requested by the General Conference in resolution GC.10/Res.10, paragraph (d), an assessment/evaluation of field operations has been carried out by the Office of the Comptroller General. The results were presented at the Board of Directors retreat held on 9-10 February 2004. Based on that assessment, document IDB.28/6 contains recommendations on how best to carry forward the process of decentralization to the field and further strengthen and rationalize the field operations of the Organization, bearing in mind the limited financial resources available.

7. Other issues relating to continual improvement of the management of the Organization are regularly reported to Member States. Initial information on improvements to the results-based programme and budgets and on performance indicators was provided in document GC.10/CRP.5, and further information is contained in the *Annual Report 2003* (IDB.28/2, chap. VI). Other developments will be reported to future sessions of the Board.

8. In order to ensure the independence of the Comptroller General in carrying out his/her duties (as stated in paragraph (e) of resolution GC.10/Res.10), a charter for the Office of the Comptroller General is under preparation and will be issued as a Director-General's bulletin to all staff at Headquarters and field offices and to permanent missions. Through this charter, the necessary independence, as well as the reporting for the work of the Comptroller General will be established.

II. REPORT ON COMMON AND JOINT SERVICES OF UNITED NATIONS SYSTEM ORGANIZATIONS AT VIENNA (JIU/REP/2002/12)

9. As reported in document IDB.27/19, chapter I.F, JIU, inter alia, recommends that the legislative organs of the Vienna-based organizations (VBOs) request their respective executive heads to jointly draw up proposals for the establishment of a single common services administrative unit. The full text of the recommendations is quoted in document IDB.27/CRP.3.

10. Consultations with all the VBOs are being held on a continuous basis. However, it should be noted that a concentration of existing common services at one of the organizations could jeopardize its capacity to perform its core functions or to provide satisfactory services.

11. In order to achieve economies of scale for all organizations, as well as to strengthen common services at the Vienna International Centre, effective 1 March 2004, UNIDO started using the travel agency providing services to the United Nations Office at Vienna and the Comprehensive Nuclear-Test-Ban Treaty Organization.

III. ACTION REQUIRED OF THE BOARD

12. In compliance with the provisions of the Statute of JIU, resolution 48/221 of the United Nations General Assembly, and paragraph 9 of the pilot system of UNIDO follow-up to JIU recommendations, the Board may wish to take note of the information contained in the present document and provide guidance for further action.

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UNIDO ACTIVITIES IN COUNTRIES EMERGING FROM CRISIS SITUATION

Report by the Director-General

Provides a progress report on the developments and steps taken in compliance with resolution GC.10/Res.6.

Introduction

1. This document is issued in accordance with resolution GC.10/Res.6 on UNIDO activities in countries emerging from crisis situations. This resolution took into account the Millennium Development Goals and the important development-related decisions taken by international conferences and stressed the need for international institutions both within and outside the United Nations system, including UNIDO, to enhance within their mandates their cooperative efforts to promote effective and collective support to the implementation of Agenda 21 to achieve sustainable development. Fully aware of the critical situation and vulnerability of people in all countries emerging from crisis situations, including in countries emerging from conflict, and the need for timely support in priority areas to reduce this vulnerability, the resolution noted the ongoing developments of UNIDO's thematic initiative on post-crisis industrial rehabilitation and reconstruction and the round table that took place on this issue during the tenth session of the General Conference of UNIDO in December 2003.

2. In this context, the resolution encouraged the Director-General to consider, on a case-by-case basis and in full consultation with the affected countries, whether and at what point industrial rehabilitation and reconstruction is a priority for a country emerging from a crisis situation. It requested the Director-General to take into account the need for an integrated approach that strikes the appropriate balance between humanitarian relief efforts and the restoration of productive capacities when planning post-crisis interventions. The resolution further requested the Director-General to ensure that UNIDO assistance to countries emerging from crisis situations is focused on activities that are clearly within UNIDO's mandate, as defined by the Business Plan and other key planning documents and is in line with nationally-owned poverty reduction strategies, where relevant. In addition, the resolution asked the Director-General to consider whether and in what way UNIDO activities in countries emerging from crisis in all regions should contribute to post-crisis industrial rehabilitation. The resolution furthermore encouraged the Director-General to take the necessary steps to ensure, in collaboration with other United Nations agencies, the continuation of UNIDO involvement in designing and, when the necessary conditions are secured, in implementing sustainable industrial development projects in countries emerging from crisis situations, in full consultation with the appropriate authorities.

3. Finally, the resolution requested the Director-General to submit a short progress report on the

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developments and steps taken in this regard to the twenty-eighth and twenty-ninth sessions of the Industrial Development Board.

I. DEVELOPMENTS AND STEPS TAKEN TO DATE

Approval of initiative activities

4. UNIDO's special initiative for post-crisis industrial rehabilitation and reconstruction focuses on facilitating the formulation of tailored responses to specific industrial development challenges faced by countries in post-crisis situations. This project proposal for the total amount of $385,000 was approved on 6 March and 6 August 2003 respectively. Furthermore, a series of project proposals, mainly located in Africa and amounting to a total budget of $1.5 million, were approved for post-crisis interventions.

Activities undertaken

In-house coordination

5. In order to facilitate in-house coordination for programming, implementation and monitoring of activities on this subject, an informal working group was established within the Programme Development and Technical Cooperation Division (PTC) and, specifically for Iraq, a task force was set up with the participation of staff from both the Programme Coordination and Field Operations Division (PCF) and PTC. The implementation of the activities on this subject was also assisted by a group of short-term experts and through redeployment of an internal staff member.

Research and strategy setting

6. A draft UNIDO strategy paper for post-crisis industrial rehabilitation and reconstruction was prepared which was the basis of the issue paper and the discussion paper presented at the General Conference round table in December 2003. The discussion paper is thus a clear reflection of the issues raised with regard to potential UNIDO interventions in countries emerging from crisis situations and presents the framework for UNIDO's programme on this issue. An official strategy paper is being finalized by incorporating the comments and recommendations made at the General Conference.

7. With a view to facilitating the understanding of the most pertinent issues of post-crisis assistance within the current global development agenda, a Post-crisis and Post-conflict Electronic Support Resource (PPESR) was established as part of UNIDO's Electronic Data Management System (EDMS). This system is a knowledge-based library with information/documentation on subject issues and programme activities prepared and conducted by other agencies and organizations. The first phase of research and follow-up authorization to the contents of PPESR is 80 per cent complete. PPESR will be made operational on the Internet by the end of 2004 and will thus establish a forum for information exchange among various development partners.

Countries of intervention to date

8. UNIDO has conducted needs assessments and participated in inter-agency missions as well as organized programme formulation missions to the following 14 countries during the course of the year 2003: Afghanistan, Algeria, Angola, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Guatemala, Guinea, Iraq, Rwanda, Sierra Leone, Sri Lanka, Sudan and Timor-Leste. As a result, a number of preliminary and full-fledged programme documents as well as strategic frameworks were prepared. The concrete content and present status of activities in each country is referred to in the annex.

9. While not pursued specifically within the post-crisis initiative activities as described above, UNIDO interventions in countries emerging from crisis situations, such as Burundi (integrated programme), Iran (Bam earthquake) and Zimbabwe (natural disaster—drought) will be continued in order to formulate, implement and/or monitor the most viable programmes to respond to the industrial and economic recovery of the countries. A new challenge will emerge for UNIDO's interventions in countries in post-crisis situations, such as Liberia, for the biennium 2004-2005 in view of the international community's involvement in reconstruction efforts.

Round table on post-crisis industrial rehabilitation and reconstruction organized at the tenth session of the General Conference

10. At the tenth session of the General Conference, the post-crisis initiative received special attention at round table 4 which hosted distinguished panellists, such as the President of Timor-Leste, the Minister of Trade and Industry from Sierra Leone, the Permanent Representative of Japan to the United Nations in Vienna, a senior representative from the private sector of Sri Lanka, and senior staff from the United Nations system, all of whom shared their experience on post-crisis assistance. The panel discussions supported UNIDO's initiative and provided additional suggestions on ways and means for UNIDO interventions in the continuum from relief to rehabilitation and development in countries and areas affected by natural or man-made crises. Reference is made to the publication of summary presentations of the panellists and discussions of all round tables held during the tenth session of the General Conference (expected release in April 2004).

11. Resolution GC.10/Res.6 clearly noted the Secretariat's proposal in the issue paper for the round table that UNIDO's post-crisis initiative should be based on three basic principles: sound diagnosis, tailor-made responses, and close donor coordination and inter-agency collaboration.

Workshop on human security

12. Based on an initiative of the Permanent Mission of Japan, UNIDO co-organized a workshop on human security on 20 January 2004 with a view to discussing with Member States as well as Vienna-based United Nations agencies and other organizations the strategic framework of human security. UNIDO presented its initiative for post-crisis industrial rehabilitation and reconstruction as well as current and prospective interventions in this field. The Director-General announced that he intended to create a UNIDO Special Facility for Human Security with initial funds of up to $1 million, coming from UNIDO' s own resources, for the purpose of financing: (a) preparatory assistance and programme development activities, (b) joint activities with other United Nations agencies, and (c) promotion of inter-agency and donor community consultations.

Update of activities

13. In view of the fact that various programming exercises are currently under way, further progress of the activities under this subject will be reported in due course. More detailed information will also be provided on UNIDO's business plan on post-crisis industrial rehabilitation and reconstruction for 2004-2005.

II. ACTION REQUIRED OF THE BOARD

14. The Board may wish to take note of the information in the present document.

Annex

UNIDO POST-CRISIS INTERVENTIONS
(as of February 2004)

	Country	Area of Intervention		Project	Budget proposed (in US dollars)	Budget approved (in US dollars)	Funding source	Status	
1	**AFGHANISTAN**	Privatization	1	Regional initiative on rehabilitation of industrial enterprises in Afghanistan including options on privatization	144,000	144,000	UNIDO	Ongoing	Regional workshop to be organized in May/June 2004 in order to review findings of privatization modalities as well as UNIDO's SWAP analysis on the rehabilitation of selected state-owned enterprises.
		Agro-industry	2	Assistance to war-affected rural communities through increased agricultural productivity and promotion of auxiliary income-generating activities	852,672		Trust Fund for Human Security	Pipeline	The project proposal is at the advanced stage of approval under the Trust Fund for Human Security.
		Housing	3	Introduction of low-cost housing technologies aiming at the rehabilitation of local small construction materials production	786,018		Trust Fund for Human Security	Pipeline	The project proposal is being submitted to the Trust Fund for Human Security under Phase IV of the Ogata Initiative. Collaboration with UN-HABITAT for a joint programme implementation agreed.
		Rural entrepreneurship development	4	Promotion of community level self-help and rural production activities for improved economic well-being of conflict affected population	1,510,000		Trust Fund for Human Security	Pipeline	A concept paper prepared and submitted informally to the donor. This should be pursued for a full-fledged programme formulation to be considered possibly in programming of Phase V of the Ogata Initiative.
2	**ALGERIA**	Rehabilitation and reconstruction of industrial sectors	5	Post-earthquake assistance: Rehabilitation and reconstruction of industrial sectors	130,000	130,000	UNIDO	Completed	More than 40 per cent of the industrial enterprises in this area were affected partially or totally. Technical assistance for rehabilitation of 11 SMEs has been provided and training for the staff of several enterprises in maintenance of equipment, quality management and production management. A final report has been prepared and validated by counterparts.
3	**ANGOLA**	Investment promotion	6	Investment promotion for Angola's non-oil sector	945,000	65,000 (for the formulation)	UNIDO	Completed/ Pipeline	Two formulation missions conducted; funds under negotiation with some donors; cooperation with other United Nations agencies being formulated; field mission planned in April 2004; comprehensive programme document being prepared.
		Agro-machinery	7	Assistance to the integration of youth in productive sector employment, particularly in the agro-industries sector.	1,798,960		UNIDO/ EU, Italy, Norway	Completed/ Pipeline	Project formulation completed and draft proposal for skill development programme for the youth (including ex-combatants) in manufacturing sector prepared.

	Country	Area of intervention		Project	Budget proposed (in US dollars)	Budget approved (in US dollars)	Funding source	Status	
		Agro-processing/ food safety	8	Capacity-building for the rehabilitation of the food industry in Angola	1,130,000		UNIDO	Ongoing	Project document for recovery and rehabilitation of manufacturing industry and development of the private sector prepared to fit into the market-oriented Southern Africa Development Community (SADC) and the global market. The objective is to build national capacity and capabilities for competitiveness strengthening and employment generation.
		Rural Entrepreneurship Development	9	Rural entrepreneurship development	(UNIDO inputs to be defined)		To be identified	Pipeline	Still in formulation
4	CONGO	To be identified	10	Formulation of a post-crisis programme for industrial rehabilitation	(To be decided)		UNIDO	Pipeline	Technical identification mission organized in December 2003 to conduct a preliminary assessment of the current economic and industrial situation and possible areas of UNIDO's assistance; full-fledged formulation mission to be organized in the second quarter of 2004.
5	CÔTE D'IVOIRE		11	Reformulation of UNIDO integrated programme within the framework of post-crisis industrial rehabilitation and reconstruction	7,960,000 (Emergency phase—2,500,000; reconstruction phase—5,460,000)	25,000 (for the formulation)	UNIDO	Pipeline	UNIDO mission in October 2003 prepared post-crisis assistance programme for industrial rehabilitation and reconstruction in Côte d'Ivoire.
6	DEMOCRATIC REPUBLIC OF THE CONGO		12	Formulation of a post-crisis programme for industrial rehabilitation	47,350		UNIDO	Pipeline	Technical identification mission organized in December 2003 to assess the current situation and possible areas of UNIDO's assistance; UNIDO and the DRC authorities agreed on the industrial policy and strategy development as well as major focus on four industrial subsectors, i.e. textile, food processing, wood processing and building materials. Full-fledged formulation mission planned in March/April 2004.
7	GUATEMALA	SME development for indigenous entrepreneurs in Petén	13	Assistance to indigenous rural community groups to alleviate the adverse impact from forest fires through appropriate natural resource management, income and employment generation particularly in agro-industrial sectors	US$ 1,050,000		UNIDO	Pipeline	Project proposal under discussion with donor (Japan) and field visit organized for donor representative at Japanese Embassy in Guatemala.

	Country	Area of intervention		Project	Budget proposed (in US dollars)	Budget approved (in US dollars)	Funding source	Status	
8	GUINEA	Income generation activities for refugees, internally displaced people and host communities	14	Assistance for capacity-building and rehabilitation of social infrastructure in refugee zones for the skill development and creation of income generating opportunities for refugees, internally displaced persons (IDPs) and host communities (pilot phase in N'Zérékorek)	1,064,711	250,000 (for preparation and partial implementation)	UNIDO/ Trust Fund for Human Security	Ongoing	For the preparation of a full-fledged programme, refugees, IDPs and host community population, including 40 entrepreneur groups, have been trained in technical and entrepreneurial skills for micro- and small-scale industrial production. The association of small-scale industries is being assisted in developing a business plan for the establishment of a Community-based Production Centre (CPC). Full-fledged project document submitted to a donor in February 2004; final consultation with donor was conducted in March 2004.
9	IRAQ	Rehabilitation of water supply and sanitation in close cooperation with UNICEF	15	Rehabilitation of chlorination units in Iraq for chlorine production of water purification and sanitation (in cooperation with UNICEF): rural water supply	30,000,000		Japan as a potential donor	Pipeline	Mission to Amman organized in December 2003, following a needs assessment review on Iraq, UNIDO strategy for support to industrial rehabilitation and economic recovery in Iraq prepared; full-fledged project document for water and sanitation segment to be completed by the end of March 2004.
		Essential Health Care Supplies in close cooperation with WHO	16	Support to quality and environmental management, and productivity of essential health care supplies sector in Iraq (in cooperation with WHO)	1,050,000		To be identified	Pipeline	
		SME development in close cooperation with UNDP	17	Support to the development of women and youth entrepreneurships for job creation and sustainable livelihoods: preparatory assistance for the creation of employment opportunities in the small and medium scale industrial enterprise sector	6,800,000 to 11,400,000		To be identified	Pipeline	
			18	Information system support to local procurement of post-crisis relief supplies	1,007,000		To be identified	Pipeline	

	Country	Area of intervention		Project	Budget proposed (in US dollars)	Budget approved (in US dollars)	Funding source	Status	
			19	Recycling of waste building materials (in cooperation with the International Centre for Science and High Technology and UN-HABITAT)	11,300,000 to 21,300,000 (10,000,000 to 15,000,000 is the estimate for the cement plant rehabilitation)		To be identified	Pipeline	
		Agro-industry (partnership with FAO)	20	Support to the rehabilitation of the agro-industrial sector (in partnership with FAO): (a) Development of cottage industries for the reintegration of IDPs and returnees, (b) Pilot project for the rehabilitation of the dairy sector—milk factory of Abu Graib, Baghdad, and (c) Rebuilding the food safety control capacity	58,500,000 to 63,500,000 (50,000,000 is the estimate for the fertilizer pilot project)		To be identified	Pipeline	
10	RWANDA	Rural energy development	21	Community-based, off-grid rural power projects using renewable energy resources and implementation of pilot power projects with public partnership	190,000	86,000	UNIDO	Pipeline	Full-fledged project document being prepared.
		Tannery rehabilitation and promotion of leather products	22	Improving the quality of natural resources in the hides and skins sector to rehabilitate the existing tannery in Nyabugogo and to create an exportable product	1,500,000	215,000	UNIDO	Pipeline	A plan for the rehabilitation of two slaughterhouses prepared and two slaughterhouses rehabilitated; Nyabugogo tannery partly rehabilitated; basic training to local artisans in leather products organized.
		Industrial policy Implementation	23	Strengthening the capacity of relevant government authorities and the Forum for Economic Partnership in order to effectively implement the industrial policy	300,000	82,000	UNIDO	Pipeline	Implementation of the newly-developed industrial policy needed.

	Country	Area of intervention		Project	Budget proposed (in US dollars)	Budget approved (in US dollars)	Funding source	Status	
11	SIERRA LEONE	Entrepreneurship development and food security	24	Assistance in developing the capacity of civil society organizations for the economic reconstruction and SME development. In addition, assistance in attaining the national food security through promotion of commercial post-harvest activities and in improving market access and competitiveness of fishery products into the regional and international markets	6,100,000	28,000	To be identified	Pipeline	Mission was organized in September 2003 to identify country's priority needs. Operational activities are expected to start in the first half of 2004. A draft programme document which included SME development, food security and market access of fishery products was submitted to the Government of Sierra Leone at the end of February 2004.
12	SRI LANKA	SME development through local self-help initiatives for employment and income generation (North-East region)	25	Support for recovery of community-based micro and small business development through local self-help initiatives for employment and income generation	860,280		Trust Fund for Human security	Pipeline	Mission organized in February 2003 to prepare a proposal for post-crisis industrial rehabilitation of the North-East of the country. A proposal prepared for institutionalizing various business development services for micro and small enterprises and for promoting the participation of youth, women and ex-combatants in the mainstream economic development in the post-conflict zones of the country.
		Agro-industry	26	Promotion of agricultural mechanization in the post-conflict area to increase the agricultural productivity and food security through the capacity-building and creation of local agro-industries	818,550		Trust Fund for Human Security	Pipeline	Project prepared in combination with the above-mentioned project proposal for the development of business development services in the war-torn region of the country in order to promote technology transfer, skill development and capacity-building.
13	SUDAN	Agro-industry	27	Revitalization of agricultural productive capacities in post-conflict zones by promoting participation and community-building for food security	1,141,690	1,141,690	Trust Fund for Human Security	Ongoing	Under implementation; mission planned in April 2004 for the launch of project activities.
			28	Setting up low-cost building materials production units for the local construction of shelter and housing in selected post-conflict and rural areas	(To be decided)	293,800	To be identified	Pipeline	Project preparation, negotiations with donors in progress.

	Country	Area of intervention		Project	Budget proposed (in US dollars)	Budget approved (in US dollars)	Funding source	Status	
			29	Joint programme formulation with FAO and WHO	(To be decided)	(To be decided)	To be identified	Pipeline	In collaboration with FAO, the lead agency for the development of a sustainable livelihood programme, UNIDO contributed to the needs assessment of rural communities for the introduction of technical and entrepreneurial skill development for the promotion of small business. WHO collaboration being sought for the community-based initiative to be introduced in rural areas.
			30	Youth entrepreneurship development in selected locations, with special emphasis on mobility aids for war victims and promotion of informal manufacturing activities	132,210		To be identified	Pipeline	Formulation mission pending availability of funds.
14	TIMOR-LESTE	Entrepreneurship development	31	Assistance in providing efficient implementation of business-related laws by providing training for young people in entrepreneurship and for civil servants in the administration of business-related laws and regulations	700,000		Portugal, Japan	Pipeline	UNIDO missions in June 2003 and in January 2004 formulated UNIDO's assistance in establishing the enabling environment for business development and in strengthening the entrepreneurship development, particularly among the youth. At very advance stage of negotiations with Portugal (funding of $350,000 under consideration) and with Japan (funding of $350,000 under consideration)

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DECENTRALIZATION

OUTCOME OF THE INFORMAL CONSULTATIVE GROUPS

Note by the Secretariat

Refers to developments at the level of the informal advisory group on decentralization referred to in document IDB.28/7.

1. The report on the outcome of the informal consultative groups included information concerning the establishment by the Director-General of an informal advisory group to assist him in making an informed decision on carrying forward the process of decentralization (IDB.28/7, paras. 12 and 13)

2. An information note circulated on 19 May 2004 provided permanent missions with a summary note on the three meetings held, as well as on supporting consultations with regional groups, in which more than 80 Member States participated. Additional details are contained in a conference room paper to be distributed to the current session.

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OUTCOME OF THE INFORMAL CONSULTATIVE GROUPS

Report by the Director-General

Reports on the activities of two informal consultative groups of Member States: Voluntary contributions and UNIDO membership, and trade capacity-building, and provides information on the establishment of a new informal advisory group on field representation.

Introduction

1. In decision IDB.26/Dec.10, the Board requested the Director-General to hold close and regular informal consultations with interested Member States to assist him in his consultations with non-Member States with a view to widening the membership of the Organization. To support that endeavour of strengthening UNIDO's constituency and also to broaden UNIDO's resource base in terms of voluntary contributions and payment of assessed contributions, the Director-General established an informal group of permanent missions. The Director-General also established a group to assist him in implementing the initiative on trade and market access facilitation. Furthermore, to support the implementation of legislative mandates on decentralization and field representation, an informal advisory group on field representation is being established.

I. VOLUNTARY CONTRIBUTIONS AND UNIDO MEMBERSHIP

2. At the twenty-sixth session of the Board one of the issues raised was how to improve the Organization's ability to meet the development challenges in terms of assuring a more stable inflow of financial resources from voluntary contributions, increasing accessibility to development funds and thus augmenting predictability of available resources for development purposes. Other issues were the recovery of arrears in assessed contributions and UNIDO membership. In order to comprehensively examine these issues, an informal consultative group was established in June 2003 under the co-chairmanship of Mr. T. P. Sreenivasan (India) and Mr. C. Moreno (Italy). The group was also invited to address Board decision IDB.26/Dec.10, which requested the Director-General to hold close and regular informal consultations with interested Member States to assist him in his consultations with non-Member States with a view to widening the membership of the Organization.

3. The first two meetings of the group, on 31 July and 7 October 2003, considered a number of questions related to financial resources and membership. The first part of the draft agenda focused on voluntary contributions and the second part concerned membership. The meetings covered a range of specific points related to both issues. At the second meeting on 7 October 2003 the group discussed, inter alia, measures towards reviving the interest of Member States,

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broadening UNIDO membership, strengthening cooperation with international financial institutions as well as a proposal aimed at establishing a direct link between debt reduction mechanisms and technical cooperation as well as trade capacity-building. At that meeting it was suggested that a more proactive policy be adopted to solicit the interest of such countries as Australia, Canada, United States of America and to invite them to reconsider their membership in UNIDO in view of many positive changes that have taken place since their withdrawal. At the third meeting held on 7 November 2003 the debt swap proposal as well as post-conflict activities as an argument to bring back former Member States were further explored. A work plan covering promotional steps (contacts in Vienna, New York and Washington, D.C.) was discussed. As a result, a reconnaissance mission was undertaken early January 2004 by the group's Co-Chairmen to the United Sates (New York and Washington, D.C.) focusing on three objectives:

(a) Initiate a political dialogue with the US administration and Senate with a view to soliciting US interest in a policy review vis-à-vis UNIDO, including the possibility of reconsidering the membership issue;

(b) Encourage Small Island Developing States (SIDS) to consider membership in UNIDO;

(c) Contribute to strengthening UNIDO cooperation with international financial institutions, notably the World Bank, the International Finance Corporation (IFC) and the Inter-American Development Bank (IADB) as well as the United Nations and United Nations Development Programme (UNDP).

4. At a fourth meeting on 6 February 2004, the Co-Chairmen briefed the group on the outcome of their mission to the United States, a note on which had been circulated in an information note dated 3 February 2004. Based on the information provided, the group overwhelmingly endorsed the outcome of the mission and follow-up actions were recommended that would, inter alia, include:

(a) Maintaining contacts with US Department of State established during the mission of the Co-Chairmen and soliciting US interest in re-examining the policy vis-à-vis UNIDO in the context of UNIDO's new initiative on post-crisis industrial rehabilitation and reconstruction and other programmes;

(b) Liaison with other US Officials from Senate and Congress met during the mission and examining the possibility of organizing follow-up visits;

(c) Continuing preliminary contacts established by the Co-Chairmen with Permanent Representatives of Australia and Canada in Vienna with a view to launching reconnaissance missions to these countries;

(d) Maintaining a diplomatic dialogue with Permanent Representatives of Small Island Developing States of the Pacific and Caribbean regions as well as with Singapore and other non-Member States regarding their possible accession to UNIDO;

(e) Soliciting the interest of the SIDSs in launching UNIDO's regional programmes in the field of renewable energy;

(f) Inviting representatives of the World Bank and IFC to Vienna for detailed discussions on issues raised by Co-Chairmen with representatives of both organizations;

(g) Continuing detailed discussions with UNDP on establishing regular consultations with UNIDO in order to share information on planned activities;

(h) Inviting representatives of the IADB to Vienna to examine possibility of launching joint UNIDO-IADB regional programmes.

The Office of the Managing Director, Division of Administration, in cooperation with technical branches and UNIDO liaison offices in New York and Geneva, will facilitate the expected follow-up activities.

II. TRADE CAPACITY-BUILDING

5. At its twenty-sixth session, the Board was informed by the Director-General of his proposal to establish an informal consultative group of representatives from interested Member States to advise and assist him in implementing the initiative on trade and market access facilitation. The group was established in March 2003 under the co-chairmanship of Mr. J. Paulinich Velarde (Peru) and Mr. Peter Jenkins (United Kingdom), and held three meetings during the period May to October 2003.

6. The activities of the group helped to increase the support of Member States for UNIDO's trade capacity-building activities and cooperation with other international organizations, notably WTO. Participants were informed about UNIDO's trade-related initiative, the outcome of the WTO Ministerial Meeting at Cancun, and prospects for UNIDO-WTO cooperation.

7. At the first meeting of the group, the Director-General presented a paper on the role of UNIDO and the multilateral system in trade capacity-building, which stressed that for many developing countries technical regulations and standards amounted to a greater barrier than tariffs. It was recognized that a technical assistance

gap existed in this area and that UNIDO's present mandate and experience qualified it for a significant role in filling that gap.

8. These findings were confirmed by a presentation from Mr. Otto Genee, Director for Coherence in the Directorate-General for International Cooperation of the Ministry of Foreign Affairs of the Netherlands on 23 September 2003. Mr. Genee illustrated the difficulties which many developing countries encounter in attempting to conform to internationally agreed technical standards. He demonstrated that UNIDO was uniquely placed to help such countries to overcome some of these difficulties.

9. Mr. Peter D. Sutherland, former GATT and WTO Director-General and European Commissioner for Competition Policy, gave a presentation to the group on 15 October 2003 on the future of WTO with special emphasis on the outcome of the Ministerial Conference at Cancun. He emphasized the importance of UNIDO-WTO cooperation in addressing the issue of technical barriers to trade.

10. It is envisaged that the group will continue its work, inter alia, to monitor progress in project implementation within the framework of the memorandum of understanding between UNIDO and WTO signed at Cancun on 10 September 2003.

11. The Board may also wish to note that the Director-General established an ad hoc task force under the leadership of Mr. A. T. Moleah (South Africa) to serve as a stakeholders' support group to sharpen UNIDO's interventions in Africa in the field of trade capacity-building. The task force has held a number of meetings and received briefings on efforts to implement various UNIDO trade-related programmes in the Economic Community of Western African States (ECOWAS), West African Economic and Monetary Union (UEMOA), Southern African Development Community (SADC) and Northern Africa. Under the guidance of the task force, a special session on trade capacity-building in relation to the cotton-textile-garments value chain was included in the sixteenth meeting of the Conference of African Ministers of Industry held on 28 November 2003.

III. FIELD REPRESENTATION

12. Field representation has long been the subject of mandates adopted by the governing bodies of UNIDO. Most recently, in resolution GC.10/Res.2, the General Conference requested the Director-General to carry forward the process of decentralization to the field and further strengthen and rationalize the field operations of the Organization. Moreover, in resolution GC.10/Res.10, the Conference requested the Director-General to present additional recommendations on decentralization to the Board, following the review of the field operations scheduled for the first quarter 2004.

13. To assist the Director-General in making an informed decision on carrying forward the process of decentralization in the most cost-effective manner, Member States will be invited to participate in an informal advisory group to be co-chaired by Mr. Y. Zhang (China) and Mr. H. Honsowitz (Germany).

IV. ACTION REQUIRED OF THE BOARD

14. The Board may wish to take note of the information contained in the present document.

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GLOBAL BIOTECHNOLOGY FORUM

Report by the Director-General

In compliance with Board decisions IDB.26/Dec.8 and IDB.27/Dec.8, reports on the Global Biotechnology Forum held at Concepción, Chile, from 2 to 5 March 2004.

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Abbreviations

CBD	Convention on Biological Diversity
FAO	Food and Agriculture Organization of the United Nations
GBF	Global Biotechnology Forum
ICGEB	International Centre for Genetics and Biotechnology
ILO	International Labour Organization
OECD	Organization for Economic Cooperation and Development
TRIPS	trade-related aspects of intellectual property rights
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
WHO	World Health Organization
WTO	World Trade Organization

Introduction

1. The present document provides:

- A background to the Global Biotechnology Forum (GBF) held at Concepción, Chile, from 2 to 5 March 2004 and organized jointly by UNIDO and the Government of Chile;
- A résumé of the process and regional consultation meetings leading up to GBF and of the Forum itself;
- Key points and possible initiatives arising out of the GBF for further consideration.

2. The text should be considered in conjunction with other information provided to Member States, including document IDB.26/10 and numerous information notes and briefings for permanent missions. Over the coming weeks various reports will be prepared, including a detailed and comprehensive report and proceedings of the Forum. It is noted also that the General Conference, in resolution GC.10/Res.7, looked forward to discussing those sectors of the Forum that fall under UNIDO's mandate at the twenty-eighth session of the Board.

I. MANDATE AND OBJECTIVES

3. The overall objective of the GBF was to examine the potential offered by biotechnology in its various facets for, in particular, the creation of wealth and improvement of the quality of life of people in the developing countries and countries with economies in transition. Convening of the GBF was based upon a fundamental commitment by the United Nations and its agencies towards the promotion of biotechnology for enhancement of living standards and the quality of life of the developing nations, alongside the industrialized world. That commitment began with the Earth Summit in Rio de Janeiro in 1992. In particular, Chapter 16 of Agenda 21 of the work programme adopted by the 1992 United Nations Conference on Environment and Development outlined the potential of biotechnology to contribute to sustainable development by increasing the availability of food, and renewable materials, improving human health and enhancing protection of the environment. In December 2002, resolution 57/237 of the United Nations General Assembly referred to decision IDB.26/Dec.8 adopted by the Industrial Development Board of UNIDO on the Global Biotechnology Forum and to various aspects related to the Forum.

4. Underlying this broad objective were a number of more specific subsidiary objectives:

- To examine biotechnological opportunities and challenges in the developing world;
- To examine possible restrictions and issues in relation to such opportunities and challenges, and suggest possible mechanisms to overcome any such situations;
- To explore means of capacity-building, particularly in relation to scientific and business skills;
- To explore potential for contributions to health care and pharmaceuticals from biotechnology in the developing countries, relating both to internal use and potential export markets;
- To explore mechanisms of technology transfer.

5. Obviously, this list is not exclusive; there is also a degree of overlap between the subsidiary objectives. However, they serve as examples of the kind of specific objectives and issues to be considered and brought forward for discussion following the Forum.

II. ROLE OF UNIDO

6. As the United Nations agency with the prime responsibility for promoting sustainable industrial development, UNIDO played a catalytic role in the promotion of biotechnology to developing countries through the establishment of the International Centre for Genetic Engineering and Biotechnology (ICGEB) at Trieste, Italy, and New Delhi, India, in 1983. Through UNIDO's leadership and with the strong support of the Government of Chile and ICGEB, the GBF was organized recognizing that subsequent follow-up activities would require inputs and actions from a wide

range of international development agencies, other United Nations specialized agencies, the private sector and the scientific community. UNIDO's specific contribution will be restricted to its mandate, and in particular to the field of industrial biotechnology and its potential applications for raising productivity, effective environmental management and enhancing sustainable livelihoods for poverty alleviation. It is noteworthy that Chapter 16 of Agenda 21, adopted in 1992, conferred an explicit mandate on UNIDO in regard to the environmentally sound management of biotechnology.

III. THE GBF PROCESS

7. The overall rationale behind the GBF was to provide a forum for discussion by experts brought together from a wide variety of backgrounds, including from scientific research, industrial processing, business, the political world and civil society, and focused on mechanisms for improving the diffusion of biotechnology through the developing world for the common good.

8. Operationally the Forum was structured in two parts. The first consisted of four regional consultation meetings covering biotechnology in Africa (March 2003), Latin America and the Caribbean (July 2003), Europe (December 2003), and Asia and the Pacific (December 2003). The regional meetings provided a backdrop of information as to the current status and level of development of biotechnology in the industrialized countries and developing world, as well as potential and insights for the future. These meetings provided the platform for the second part, the Forum itself, held at Concepción, Chile, from 2 to 5 March 2004, with a comprehensive programme of presentations by leading scientists, industrialists and policy makers in workshops and discussion panels. This programme provided the framework for detailed discussions aimed at identifying barriers to the diffusion of biotechnology to the developing countries and promulgating ideas for practicable initiatives going forward with the core objective of enhancing biotechnology development and activities in the developing countries and the countries with economies in transition.

9. As of 20 March 2004, the UNIDO expenditures, including studies, convening regional meetings and GBF itself, totaled $1,087,120. It is anticipated that a number of publications will result from the GBF, which together with putting in place the follow-up mechanisms will require limited additional expenditures.

Regional consultation meetings

10. Four regional consultations were held: the first for Africa, at Nairobi (March 2003), the second covering Latin America and the Caribbean, at Brasilia (July 2003) the third for Europe, in Vienna (December 2003) and the final one covering Asia and the Pacific, at Chengdu, China (December 2003). Details of the regional meetings, including a summary of key questions raised, are provided in a separate conference room paper. The overall objectives of the regional meetings were:

- To review the level and state of biotechnology, providing at the same time an overview of biotechnology;
- To assess the potential and opportunities offered by biotechnology;
- To determine the constraints to development of biotechnology within each region and globally;
- To address the aspirations and needs of the regions that may be addressed through biotechnological activity.

Global Biotechnology Forum

11. The Global Biotechnology Forum itself (at Concepción, Chile, 2-5 March 2004) was attended by some 1,500 people from over 80 countries greatly exceeding the numbers initially anticipated, with ministerial-level representation from a number of countries. Unfortunately, representation from the African and Asia and Pacific regions, where biotechnology, as seen in the regional consultations, may have a particularly important role to play in their future development, was quite limited. Such a situation may perhaps be redressed by future focused region-specific meetings. Many United Nations and other agencies were represented by senior officials, including UNESCO, UNCTAD, FAO, WHO, WTO, OECD, together with representatives from a number of NGOs.

12. The Forum was organized into three sections:

- Ministerial discussion meetings;
- Plenary sessions composed of keynote lectures and including the themes bioindustry in developing countries, biotechnology and health care, agricultural biotechnology, biosafety, technology transfer, trade, financing bioindustry, regulation and biotechnology;
- Working group sessions that followed a pattern of themes similar to those for the plenary sessions.

13. Feedback from plenary participants indicated that the themes chosen were appropriate, with the reservation that insufficient attention was paid to the area of bio-processing. While the quality of presentation in the plenary sessions was generally judged to be high, participants in general felt that insufficient time was allowed for discussion. In contrast the working group sessions were most positively received, where the level of professionalism of the chairpersons in running the

discussion was commented on by a number of participants. Participants in general felt these sessions to be most useful and also the most productive part of the Forum in working terms.

14. At the end of each day ideas and information were collated from the various sessions by the UNIDO Secretariat as a rolling programme and fed into the following day sessions to maintain as full a discussion over the meeting as possible. While no major new issues were revealed as a result of this process, new insights were gained into several. Initiatives with a slightly different emphasis were also developed compared with those seen from the regional consultations. This rolling process enabled the UNIDO Secretariat with support from ICGEB colleagues and others to produce a list of highlights of proceedings and proposals for action (annex I), which was presented in the closing ceremony after the Final Statement (annex II).

IV. KEY ISSUES

15. Over the process of the GBF, from the regional meetings to the Forum itself in Chile, a number of key issues emerged as barriers to progress in biotechnology in developing countries. These are summarized below.

- Lack of sufficient numbers of skilled scientists, technologists, process development people and risk assessment experts;
- Need to create a flexible market between the public and private sectors to maximize the benefits of an enhanced skills base;
- Lack of infrastructure and facilities;
- Lack of entrepreneurial skills in biotechnology management and commercialization (this is not confined to the developing countries but appears to be particularly acute in these);
- Lack of public investment in the development of biotechnological capabilities through, for instance, university programmes or research institute development;
- Lack of private sector investment in bio-technological development and the type of incentives necessary to encourage such investment;
- Lack of access to proprietary technologies and intellectual property, and their concentration in the private sector of industrialized nations. (This issue is not confined to the developing countries, and indeed some would argue is not a major issue since few industrialized nation companies apply for patent cover in the developing world, leaving the intellectual property, be it in technology or products, open to a generic approach. The bigger issue here, it is claimed, concerns that detailed above, i.e. lack of skills and know how to take on technologies and products developed within the industrial nations);
- Intellectual property rights and transfer of technologies;
- Lack of public acceptance of some products of modern biotechnology;
- Differing and often complex regulatory protocols;
- Linked to the above—food safety and health concerns,
- Public safety issues;
- Regulation of genetically modified crops or products.

V. FOLLOW-UP PROCESS

16. The list of issues raised during the GBF (see chapter IV above), while not necessarily being exhaustive is nonetheless comprehensive, raising also major issues as to which should be addressed, how, and in what order. As a first step in this process the GBF Final Statement recognized a framework of four major areas for new initiatives and proposals to be further considered and followed up by United Nations organizations (based on their respective mandates and approval by their governing bodies), other international development partners, the scientific community and the private sector:

(a) Formation of a multi-stakeholder forum, involving United Nations specialized agencies and other international bodies together with representatives of government, industry and the scientific community to serve as an ongoing platform for informed dialogue on biotechnology and the way in which its benefits may be used for the enhancement of developing countries;

(b) Creation of an information network and database as to what biotechnology activities are currently in progress in the countries with economies in transition and developing countries, together with market information on a global basis to assess technology and market potentials for new initiatives, including to identify and facilitate partnerships;

(c) Enhancement of efforts for the mobilization of resources for capacity-building;

(d) Examination of the impact of and ways to facilitate access to intellectual property to promote the exploitation and dissemination of biotechnology in developing countries.

17. Following the regional consultations and GBF in Chile, the key task now is to follow up and carefully analyse as quickly as possible the various issues and

proposed actions arising, and falling within the four framework areas of the Final Statement, as a prelude to developing proposals for possible new initiatives. In this connection, UNIDO recognizes the bounds of its own mandate within biotechnology, the limited resources available within the Organization and the need to involve other agencies, organizations and partners such as ICGEB at the earliest point.

18. The GBF provides the potential for a number of publications. In addition to the present report and a subsequent detailed report, the following are under preparation:

- Compilation of proceedings with a summary of the meeting;
- Monographs and a summary of the regional meetings;
- Monographs on specific topics as teaching manuals such as a "Small company management and finance guide".

VI. ACTION REQUIRED OF THE BOARD

19. The Board may wish to take note of the information provided in the present document and to identify the follow-up work to be initiated by UNIDO. As noted in paragraph 2 above, the General Conference, in resolution GC.10/Res.7, looked forward to discussing those sectors of the Forum that fall under UNIDO's mandate at the twenty-eighth session of the Board.

Annex I

HIGHLIGHTS OF PROCEEDINGS AND PROPOSALS FOR ACTION

The Global Biotechnology Forum was programmed to cover as many opportunities, facets and issues of biotechnology as possible in a structured and highly interactive format, through formal presentations as well as through the mechanisms of workshops and open discussions. The excellent conference facilities greatly facilitated that process, and enabled fruitful discussions and networking to take place outside of the formal sessions.

The organizers wish to thank the chairman, coordinators and rapporteurs of the various parallel sessions for their great assistance in bringing together, through the summary reports of each days proceedings, the results of the deliberations of the participants. These highlights of proceedings and proposals for action provide an overview of those deliberations and follow in general the topics of the Forum.

The following highlights some of the key ideas resulting from the discussions. A more detailed analysis will be produced and circulated by UNIDO in the summary of proceedings in due course.

1. Bioindustries

The discussions confirmed the potentially wide-ranging impacts of biotechnology across the spectrum of global industrial activity, including agro-industries, bio-processing, bioremediation, biodiversity conservation and utilization, and health care.

2. Technology transfer

The transfer of biotechnology applications, essential for generating prosperity in developing countries, is significantly accelerated if such countries are in a position to develop their own technologies. At the present time most advanced biotechnologies are developed in the industrialized world and efforts to make their benefits available to the developing world should be encouraged.

Proposed action:
Strengthen and expand existing institutional mechanisms and explore new ones to facilitate technology transfer, including capacity-building, to both public and private sectors in developing countries.

3. Financing and public-private partnerships

It was recognized that entrepreneurship and seed capital are essential in developing vibrant small and medium enterprises. These can best grow with easy availability of financing, the promotion of research and development efforts, and market access, and through public-private partnerships.

Proposed action:
Appropriate entities should develop entrepreneurship programmes that would facilitate sound business plan development, networking, and the management of science and biotechnologies. Further, Governments need to strengthen financing mechanisms, including promotional funding schemes, designated bank funds, and venture financing. These mechanisms should be critically monitored and corrections incorporated to ensure steady growth of bioindustries.

4. Intellectual property

Discussions highlighted the importance of balancing the need for access to biotechnologies and for technology developers to have intellectual property protection. International agreements such as TRIPS provide a foundation for this process.

Proposed action:
Examine the impact of, and ways to facilitate, access to intellectual property to promote the exploitation and dissemination of biotechnology in developing countries.

5. Biosafety

The requirements of nations for biosafety frameworks in the context of new technologies and international agreements such as the Cartagena Protocol on Biosafety have created the need for regulatory harmonization. Harmonization of biosafety regulations and processes is important, particularly for developing countries, because of limitations in technical and regulatory capacity, and the complexity of the subjects.

Proposed action:
Harmonization is achievable for administrative elements at national and international levels. Technical data requirements also can be harmonized, and regional and broader international harmonization of data requirements should be pursued. In addition, aspects of risk assessment can be harmonized, bearing in mind environmental differences, and may be valuable on a subregional level to perform joint assessments for certain products. Decision-making will remain a sovereign national activity.

6. Biodiversity

A recurrent theme was the richness of biodiversity present in developing countries and the potential that this provides for sustainable utilization. The Convention on Biological Diversity provides a mechanism that encourages sustainable utilization.

Proposed action:
Practical steps should be taken to develop readily accessible mechanisms for documenting biodiversity at national and regional levels.

7. Capacity-building

There was general agreement on the need to mobilize resources for building technical and infrastructural capacity, including in scientific, regulatory, intellectual property rights, legislative and entrepreneurial areas.

8. Networks

While there is a great deal of information available underpinning activities in biotechnology around the globe relating to intellectual property, scientific and industrial programmes, and commercial activities, this is not readily available or accessible in structured formats to either developed or developing countries, and to separate jurisdictions within them.

Proposed action:
Creation of an information network and database as to what biotechnology activities are currently in progress in the countries with economies in transition and developing countries, together with market information on a global basis to assess technology and market potentials for new initiatives, including to identify and facilitate partnerships.

9. Inter-agency cooperation

There was a general consensus among the organizations and participants in the Forum on the need to establish an adequate mechanism that will ensure cooperation in line with resolution A/58/200 of the General Assembly.

Proposed action:
Encourage the establishment of an inter-agency cooperation network on biotechnology. Encourage the elaboration of joint studies and reports among the agencies. Assist UNCTAD in the preparation of the report to the United Nations General Assembly, in line with resolution 58/200.

Annex II

FINAL STATEMENT

The Global Biotechnology Forum (GBF) was convened from 2-5 March 2004 under the auspices of the United Nations Industrial Development Organization (UNIDO) and Government of Chile, with assistance from the International Centre for Genetic Engineering and Biotechnology (ICGEB).

The conference was attended by some 1,500 participants from about 80 countries, including experts from Governments, intergovernmental organizations, non-governmental organizations, scientific institutions, industry and the media.

The overall objective of the GBF was to examine the potential offered by biotechnology in all its facets for the creation of wealth and the improvement of the quality of life of people in the developing countries and countries with economies in transition.

The participants, building on the work that had previously taken place in the regional consultative meetings in Africa, Asia and the Pacific countries, Europe, and Latin America and the Caribbean examined a broad range of issues related to this objective through structured dialogue on:

Biotechnology meeting the needs of the poor

Biotechnology, biodiversity, energy and the environment

Trade, regulation, bio-safety and social acceptance of biotechnology

Biotechnology and bio-industry

Biotechnology and the developing world

The participants emphasized the importance of nations increasing their efforts to achieve the Millennium Development Goals (as contained in the United Nations Millennium Declaration of 2000), and they also took note of the provisions of the Monterrey Consensus. They recognized that the World Food Summit (five years later), of June 2002 urged research institutions and United Nations organizations to advance agricultural and other areas of research into new technologies, including biotechnology, and concluded that the introduction of such new tried and tested technologies should be accomplished in a safe manner, within appropriate regulatory frameworks, and adapted to local conditions to help improve agricultural productivity in developing countries. They also noted that the World Summit on Sustainable Development in 2002 recognized the need to provide additional financial and technical resources to developing countries to promote practicable measures to capitalize on benefits arising from biotechnology.

Participants particularly noted United Nations General Assembly resolution 58/200 of 23 December 2003, which reaffirmed the vital role of new technologies in raising the productivity and competitiveness of nations and the need, inter alia, for capacity-building measures promoting the transfer and diffusion of technologies to developing countries and countries in transition. In addition this resolution took note of the proposal of the Secretary-General for an integrated framework for biotechnology development within the United Nations system and the need for strengthening coordination between relevant organizations and bodies of the system in the area of biotechnology. Participants suggested that the following initiatives and proposals could be further considered and followed up by United Nations organizations (based on their respective mandates and approval by their governing bodies), other international development partners, the scientific community and the private sector:

1. Formation of a multi-stakeholder forum, involving United Nations specialized agencies and other international bodies together with representatives of government, industry and the scientific community to serve as an ongoing platform for informed dialogue on biotechnology and the way in which its benefits may be used for the enhancement of developing countries.

2. Creation of an information network and database as to what biotechnology activities are currently in progress in the countries with economies in transition and developing countries, together with market information on a global basis to assess technology and market potentials for new initiatives, including to identify and facilitate partnerships.

3. Enhancement of efforts for the mobilization of resources for capacity building.

4. Examination of the impact of and ways to facilitate access to intellectual property to promote the exploitation and dissemination of bio-technology in developing countries.

The participants agreed that the GBF provided valuable inputs into the United Nations-wide effort to spread the benefits of biotechnology to the developing countries, and in particular, will contribute towards the Secretary General's system-wide integrated framework for biotechnology development. The participants took note

that a detailed Summary of Proceedings of the GBF will be produced by the organizers, and recommended that it be distributed together with this final statement during appropriate biotechnology events.

The participants welcomed the efforts of the Government of Chile to establish a biotechnology centre of international standard in the Bio Bio Region.

The participants expressed their gratitude to the Government of Chile, the Bio Bio Regional Authority and UNIDO for organizing the GBF, as well as to other collaborating United Nations organizations (FAO, WHO, UNESCO, UNEP, UNCTAD, ILO, CBD) and ICGEB as well as WTO and OECD for their contribution to the GBF.

Based on United Nations General Assembly resolution 57/237, the participants called on the Director-General of UNIDO to include in his report to the fifty-ninth session of the General Assembly a section on the outcome of the GBF.

Concepción, Chile, 5 March 2004

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United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Twenty-eighth session
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Item 7 of the provisional agenda

TRANSITION TO A SINGLE-CURRENCY SYSTEM

Report by the Director-General

Provides information on further developments, inter alia, resulting from the closure of the biennial accounts, as well as on the management of technical cooperation projects in both dollars and euros, in compliance with PBC conclusion 2003/6 and Board decision IDB.27/Dec.5.

Introduction

1. The Secretariat has kept the governing bodies regularly informed of the steps taken to introduce the euro as a single currency for budgeting, assessment, accounting and reporting, with effect from the fiscal period 2002-2003. Most recently, the General Conference at its tenth session had before it document IDB.27/9–PBC.19/9, as well as Industrial Development Board decision IDB.27/Dec.6.

2. Both the Programme and Budget Committee conclusion (2003/6) and Board decision (IDB.27/Dec.5) requested the Director-General to inform Member States of further developments, inter alia, resulting from the closure of the biennial accounts, as well as on the management of technical cooperation projects in both dollars and euros.

I. EXPERIENCE AND ACTION TAKEN

3. As stated in document IDB.26/4-PBC.18/5, the Secretariat expected the emergence of a clearer picture on the issues encountered and the actions required to rectify these during the preparation of the accounts for the biennium 2002-2003. The accounts for the biennium 2002-2003 showing the utilization of financial resources during the period 1 January 2002 to 31 December 2003 have been finalized. They provide information on the regular and operational budgets, as well as the technical cooperation activities financed from extrabudgetary resources, and information relevant to the single-currency system is contained in the following paragraphs.

Regular and operational budgets

4. The regular budget continued to have a certain amount of dollar expenditure during the biennium 2002-2003. As previously reported, this is unavoidable due to the fact that there are expenditure types that are either based on United States dollar scales and schedules (e.g. certain staff entitlements, or the Organization's contribution to the United Nations Joint Staff Pension Fund), or are being settled through the UNDP clearing account, which operates in United States dollars. The most significant expenditure type under the latter scenario relates to expenditures incurred in the field offices that use UNDP for their financial operations. Under those expenditure categories that did not follow the above pattern, the Secretariat made special efforts to reduce its exposure to non-euro commitments.

5. The exchange rate movements during the biennium were favourable in respect of the regular

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budget and hence a transfer to the reserve account could be made (see below).

6. The operational budget, on the other hand, has suffered from lower purchasing power due to exchange rate movements. The income of the operational budget is driven by technical cooperation expenditures, which were accounted for in United States dollars. However, the majority of expenditures in the operational budget continued to be in euros, leading to a loss of €1,173,000 during the biennium. Consequently, the operational budget reserve showed a slight deficit at the end of the biennium, despite the reported increase in technical cooperation delivery and the significant reductions in resource utilization when compared to the original budget estimates. In view of this, the Secretariat will explore the possibility of covering such losses.

Special account for regular budget exchange rate fluctuations

7. The General Conference authorized the creation of a reserve to protect the regular budget from the impact of exchange rate fluctuations in those expenditure categories that are by nature dollar-based (GC.8/Dec.16 (d)). These are the same expenditure types that in the past were budgeted in dollars and represented the dollar portion of the split-currency assessment.

8. The special account was created with a zero initial balance. At the closure of the biennium 2002-2003, as part of the preparation of the financial statements, the Secretariat determined the amount of funds that had to be placed on the special account due to favourable exchange rate movements during the full biennium.

9. In determining the exchange rate gains experienced during the biennium, the methodology previously reported and approved by the General Conference in its decision GC.8/Dec.16 was followed. The actual United States dollar expenditures on those specific dollar-based expenditure lines was determined and the difference between the exchange rate assumed at the time of the budget preparation and the actual rates experienced were used to determine the gain to be transferred to the special account.

10. The closing balance of the account has been reported in the financial statements as €1,840,776.

Management of technical cooperation activities in both dollars and euros

11. During 2003, the Financial Performance Control System was upgraded. Following the upgrade in 2003, the new feature to budget in multi-currencies became available. UNIDO has introduced the euro into its project management cycle making it possible for any project to be accounted for either in dollars or euros. Sources of funds for ongoing projects were reviewed to classify them as dollar-based or euro-based projects. Funding from UNDP, Global Environment Facility and Multilateral Fund for the Implementation of the Montreal Protocol would continue as dollar-based. Therefore, the corresponding projects remain on the dollar track. The basis of determining projects as euro-based would be the contribution currency, including the Regular Programme of Technical Cooperation, together with those projects where UNIDO is required to report in euros.

12. With respect to existing projects identified as euro-based, the fund balance available in United States dollars at the end of 2003 has been converted into euros, using the exchange rate of 31 December 2003. In order to re-establish the purchasing power of the projects with euro expenditures, options are being examined to allocate the required amounts from the accumulated but not yet distributed exchange gains on euro cash and investment balances.

13. During 2002-2003, all technical cooperation activities were administered in dollars, whereas the regular and operational budgets were managed in euros. To present the consolidated financial statements of UNIDO for the biennium ending 2003, the following actions were taken (details will be contained in the report of the External Auditor for the biennium 2002-2003,[1] which includes the notes to the financial statements):

- Combined statement of income and expenditure and changes in reserves and fund balances for the year ended 31 December 2003 (notes to the financial statements—annex II, table 1) has been prepared in both euros and dollars;
- Combined statement of assets, liabilities, and reserve and fund balances as at 31 December 2003 (notes to the financial statements—annex II, table 2) has been prepared in both euros and dollars;
- For the above statements, all non-euro items were converted to euros using the following approach:
  - The reserves and fund balances at the beginning of 2002, which were in dollars, were converted to euros at the exchange rate of US$1= €1.123 (GC.9/Dec.15);
  - Income, expenditure and changes in reserves and fund balances are stated in the equivalent amount of euros applicable as at the deemed

[1] To be issued to the Board at its twenty-ninth session through the Programme and Budget Committee.

date of the transaction, applying the United Nations operational rate of exchange as at that date, i.e. the applicable monthly exchange rate;

- Assets, liabilities, reserves and fund balances as at 31 December 2003 were revalued to euros using the United Nations operational rate of exchange as at 31 December 2003 (in accordance with decision GC.9/Dec.15).

- The loss arising from the revaluation of assets, liabilities, reserves and fund balances as at 31 December 2003 is shown as "other adjustments to reserves and fund balances" on the euro combined statement of income and expenditure and changes in reserves and fund balances (notes to the financial statements—annex II, table 1). These adjustments/revaluations have no implications as far as the donors are concerned, as the dollar statements provide the correct information about the status of funds provided by them, and the activities carried out from those resources. The donors, therefore, could disregard the euro statements.

14. The dollar presentation of technical cooperation activities required that the non-dollar monetary assets and liabilities be revalued as at 31 December 2003 using the United Nations operational rate of exchange. Any resultant unrealized gain is not recorded as income for the period, but set aside as an account payable until realized, for reasons of prudence.

15. The gain arising from the revaluation of euro cash and investment balance is also set aside as an account payable and not distributed to donors. In view of the stronger euro, the total amount set aside for 2002-2003 is $7.7 million. Such amounts will be used in 2004 principally to restore the purchasing power to projects with euro expenditures following the introduction of euro-based budgeting, after which any residue will be available for distribution.

16. At that stage donors who have funded activities in euros could disregard the dollar statements, as for these donors the euro statements would provide correct information about the status of funds provided by them and the activities carried out from those resources.

17. The governing bodies will be kept informed of further developments following the introduction of euro-based management of technical cooperation programmes, the restoration of purchasing power and the final closure of accounts for the biennium 2002-2003, as well as discussions with the External Auditor.

II. ACTION REQUIRED OF THE BOARD

18. The Industrial Development Board:

"(a) Takes note of the information provided in document IDB.28/9 on the transition to a single-currency system, in particular regarding the preparation of the accounts for the biennium 2002-2003;

"(b) Notes with satisfaction the steps taken by the Director-General to ensure the implementation of the euro;

"(c) Requests the Director-General to inform Member States of further developments related to the transition to a single-currency system, as well as on the management of technical cooperation projects in both dollars and euros;

"(d) ....."

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Industrial Development Board

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FINANCIAL SITUATION OF UNIDO

Report by the Director-General

Provides information on the financial situation of UNIDO, including arrears, as at 29 February 2004. A conference room paper will be issued during the session to provide updated information on the status of assessed contributions, voting rights and disposition of unencumbered balances of appropriations and income from new Member States.

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I. OVERVIEW

1. The financial situation as at 29 February 2004 can be summarized in the following major points:

(a) The regular budget is planned to be implemented with an average allocation of 91 per cent of the 2004 appropriations. The expenditure for the first two months of 2004 amounted to 10.9 per cent;

(b) The operational budget recorded a surplus of €0.7 million during the first two months of 2004; therefore, the level of the operational budget reserve increased from €3.1 million as at 1 January 2004 to €3.8 million as at 29 February 2004;

(c) The level of regular budget cash resources (including the Working Capital Fund and the unencumbered balances of appropriations) was €35.3 million. As compared to this, the cash balance as at 28 February 2003 and 2002 was €47.5 million and €24.4 million, respectively;

(d) The collection rate of 2004 assessed contributions was 34.4 per cent, compared to the 2003 and 2002 rates of 58.1 and 28.2 per cent, respectively;

(e) The collection rate of prior years' arrears, as compared to the current year's assessments, was 1.3 per cent. The rates as at 28 February 2003 and 2002, as compared to the assessments of those years, were 0.6 and 1.8 per cent, respectively;

(f) Outstanding contributions amounted to €159.6 million (including arrears of €69.2 million by the United States of America, and €2.1 million by the former Yugoslavia) (annex). The outstanding amounts as at 28 February 2003 and 2002 were €139.1 million and €159.2 million, respectively;

(g) The Working Capital Fund is at the level of €7,423,030. However, an amount of €100,419 is outstanding as at 29 February 2004;

(h) Unencumbered balances of appropriations and income from new Member States (total amount €4,441,022) and the respective share was distributed to eligible Member States. However, some Member States voluntarily renounced their share for other purposes than assessed contributions amounting to €1.3 million by 29 February 2004.

II. REGULAR AND OPERATIONAL BUDGETS

2004-2005

2. Regular budget implementation of the approved programme and budgets, 2004-2005, commenced as planned. In view of the reduced approval level of the gross regular budget, as well as the expected collection rate of current year's assessed contributions of some 93 per cent and the healthy cash position of the Organization at the beginning of 2004, an average allotment level of some 91 per cent of the originally planned gross expenditures is envisaged for 2004, including UNIDO's share of Buildings Management. Except for the Regular Programme of Technical Cooperation (RPTC), reduced allotment levels will be necessary under each object of expenditure.

3. The Buildings Management gross allotments will be released at the level required for the work programme and will largely depend on the progress of the asbestos removal programme.

4. Expenditure during the period 1 January to 29 February 2004 amounted to €7.98 million under the regular budget. This amount corresponds to 10.9 per cent of the total appropriation for 2004, representing a smooth start of budget implementation.

5. Allotments under the operational budget will be around 95 per cent of the approved estimates. With a $25.8 million delivery of technical cooperation activities as of 29 February 2004 (delivery as at end February 2003 for the same period was $26.9 million), the income for the first two months amounted to €2.1 million ($2.4 million). Expenditure for the same period amounted to €1.4 million, leading to a surplus of €0.7 million during these months of 2004. Therefore, the level of the operational budget reserve increased from €3.1 million as at 1 January 2004 to €3.8 million as at 29 February 2004.

2002-2003

6. The accounts for the biennium 2002-2003 have been submitted for audit to the External Auditor. As in the past, the report of the External Auditor for the biennium 2002-2003 will be submitted through the Programme and Budget Committee at its twentieth session to the twenty-ninth session of the Board.

7. The overall implementation rate of the regular budget for the biennium 2002-2003 was 92.36 per cent, resulting in a provisional unencumbered balance of appropriations of €10,205,968. Part of this amount has been realized through exchange rate gains and hence is being captured on the respective reserve account. This implementation rate is similar to the previous two bienniums (2000-2001: 96.4 per cent; 1998-1999: 91.7 per cent).

8. The programme support cost income of the operational budget for the biennium 2002-2003 amounted to €18.0 million, with expenditures of €18.8 million. Calculated together with the amount of

€0.6 million savings on cancellation of obligations, the operational budget recorded a deficit of €0.2 million. The reserve level thus decreased from €3.3 million on 1 January 2002 to €3.1 million as at 31 December 2003. The slight decrease in the reserve level was attributable to exchange rate movements between the euro and the United States dollar during the biennium.

9. Technical cooperation delivery during 2003 amounted to $94.7 million. However, should the technical services at the programme and project levels of UNDP and Industrial Development Decade for Africa supplementary activities be added to this amount, the volume of activities provided by UNIDO during the year amounted to over $100 million.

10. Resources provided from the regular budget for the purpose of the RPTC were fully programmed before 31 December 2003. Funds amounting to €2.5 million which had not been expended by the end of the 2002-2003 biennium have been placed in the special account for RPTC in accordance with General Conference decision GC.9/Dec.14. In 2004, €0.8 million have been further committed. Funds released from cancellation of obligations, if any, will remain in the special account to carry out RPTC activities. It is anticipated that all programmed activities from the 2002-2003 resources will be completed during 2004.

III. ASSESSED CONTRIBUTIONS

Collections

11. A total of 27 Member States, including six least developed countries (LDCs), have made full payments and 47 Member States, including nine LDCs, have made partial payments and/or their adjustments have been credited towards their assessed contributions for the year 2004. The collections in the period January-February 2004, broken down by Lists of States, are shown in table 1.

Table 1. Collections, January-February 2004
(In millions of euros)

Lists of States*	Current year	Prior years	Total
A	1.02	0.13	1.15
B	21.27	0.08	21.35
C	0.16	0.69	0.85
D	1.97	0.05	2.02
Others	0	0	0
Former Yugoslavia	0	0	0
USA	0	0	0
Total	**24.42**	**0.95**	**25.37**

* As contained in document GC.10/18.

Outstanding contributions

12. The detailed status of assessed contributions outstanding as at 29 February 2004 is contained in annex I to the present document. The scale of assessment and outstanding contributions as at 29 February 2004, broken down by Lists of States, are shown in table 2.

Table 2. Scale of assessment and outstanding contributions as at 29 February 2004

		(Millions of euros)		
Lists of States*	Scale of assessment (%)	Current year	Prior years	Total
A	10.82849	6.66	5.81	12.47
B	78.15186	34.22	0	34.22
C	7.82719	5.41	23.22	28.63
D	3.18720	0.29	12.20	12.49
Others	0.00526	0.00	0.49	0.49
Subtotal	100.00000	46.58	41.72	88.30
Former Yugoslavia		0.00	2.08	2.08
USA			69.21	69.21
Total	**100%**	**46.58**	**113.01**	**159.59**

* As contained in document GC.10/18.

IV. VOTING RIGHTS

13. As indicated in the annex to the present document, the voting rights of 49 Member States had been suspended as at 29 February 2004 in accordance with Article 5.2 of the Constitution and financial regulation 5.5(b), as shown in table 3.

Table 3. Suspension of voting rights, as at 29 February 2004

	Number of Member States		
Members of	2004	2003	2002
General Conference	49	55	63
Industrial Development Board	2	5	5
Programme and Budget Committee	1	2	3

14. In order to restore their voting rights for the remainder of 2004, the 49 Member States must pay their full contributions for 2001 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2002. The minimum total amount that would have to be paid by these Member States is €24,948,170.

V. IMPLEMENTATION OF RECOMMENDATIONS OF THE GROUP ON TIMELY PAYMENTS

Payment plans

15. Four payment plans are currently in operation: Azerbaijan, Belarus, Lithuania and Ukraine. The General Conference, at its tenth session, gave satisfaction to the requests of the first three countries mentioned for the restoration of voting rights in accordance with Article 5.2 of the UNIDO Constitution (decisions GC.10/Dec.12, 13 and 14) and took note of the payment plan agreements. Similarly, at the ninth session of the General Conference, voting rights were restored for Ukraine (GC.9/Dec.12). Payment plans are currently under negotiation at various levels with a number of Member States, in particular Afghanistan, Brazil and Tajikistan.

Incentives and disincentives to encourage timely payment of assessed contributions

16. With reference to previous information provided on this issue in documents PBC.19/CRP.5, IDB.27/10 and GC.10/12, the Secretariat received information from the Committee on Contributions that the General Assembly had requested the Committee to make recommendations on measures with a positive impact to encourage Member States to pay their arrears. The Committee is currently updating information on the related experience of other organizations of the United Nations system and will report thereon to the Assembly before the end of its fifty-eighth session (i.e. September 2004). The Secretariat will closely follow developments on this issue and will inform the governing bodies accordingly.

Arrears by former Member States

17. The amounts owed to UNIDO by the United States are as follows:

Assessed contributions, 1994 to 1996	€69,206,348
Income taxes (under the Tax Reimbursement Agreement)	€956,753
Total	€70,163,101

The Secretariat is regularly following up this matter with the Permanent Representative of the United States of America to the United Nations in Vienna to pursue payment.

18. The arrears of the former Yugoslavia amount to €2,081,702 for the period 1990 to 2001. The United Nations General Assembly decided to defer until its fifty-ninth session consideration of the question of the outstanding assessed contributions of the former Yugoslavia. The Secretariat will keep the governing bodies informed of further developments.

VI. UNENCUMBERED BALANCES OF APPROPRIATIONS AND INCOME FROM NEW MEMBER STATES

19. Detailed information on the unencumbered balances of appropriations and income from new Member States was provided in document GC.10/12 of 31 October 2003. In accordance with General Conference decision GC.10/Dec.11, the Secretariat is allowed to use for integrated programmes or country service frameworks each country's share and amount of the unencumbered balances of appropriations, income from new Member States and interest income in excess of budgetary estimates, as specified in decision GC.9/Dec.10, for which no response had been received by 31 December 2003 from the concerned Member States on the use of those funds.

Amounts distributed to Member States on 1 January 2004

20. The unencumbered balances of appropriations relating to the bienniums 1992-1993, 1996-1997, 1998-1999 and 2000-2001, and income from new Member States amounted to €4,441,022, and the respective share was distributed to eligible Member States (i.e. those that had fully paid their assessed contributions for the respective biennium) in accordance with financial regulations 4.2(b) and (c), broken down as follows:

	Biennium	€
Unencumbered balances	1992-1993	73,393
	1996-1997	124,801
	1998-1999	271,645
	2000-2001	3,897,852
	Subtotal	4,367,691
Income from new Member States		73,331
	Total	4,441,022

21. Some Member States have renounced their share on a voluntary basis for the following purposes:

	€
Activities in support of Millennium Development Goals (GC.10/Res.5)	140,254
Activities in countries emerging from crisis situations (GC.10/Res.6)	372,265
Voluntary contributions	725,008
Host country contribution to field office	27,930
Total (as of 29 February 2004)	**1,265,457**

VII. ACTION REQUIRED OF THE BOARD

22. The Industrial Development Board may wish to consider adopting the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the information provided in document IDB.28/10;

"(b) Urges those Member States that have not yet paid their assessed contributions, including advances to the Working Capital Fund and prior years' arrears, to do so without delay."

Annex

STATUS OF ASSESSED CONTRIBUTIONS TO THE UNIDO REGULAR BUDGET
Status as of 29 February 2004

	Outstanding assessed contributions	WCF 2004 due	Total due	Years	Voting rights[a]	Minimum payment to gain voting rights
AFGHANISTAN	71,922		71,922	1994 (p) - 2004	No	57,990
ALBANIA	-		-	-	Yes	
ALGERIA	64,602		64,602	2004 (p)	Yes	
ANGOLA	-		-	-	Yes	
ARGENTINA	5,596,678		5,596,678	1999 (p) - 2004	No	2,513,840
ARMENIA	914,707		914,707	1992 (p) - 2004	No	908,840
AUSTRIA	-		-	-	Yes	
AZERBAIJAN	1,024,364		1,024,364	1994 (p) - 2004	Yes	Payment Plan [b]
BAHAMAS	-		-	-	Yes	
BAHRAIN	17,505		17,505	2003 (p) - 2004	Yes	
BANGLADESH	6,461		6,461	2004 (p)	Yes	
BARBADOS	9,231		9,231	2003 (p) - 2004	Yes	
BELARUS	293,420		293,420	1999 (p) - 2004	Yes	Payment Plan [b]
BELGIUM	1,139,535	350	1,139,885	2004	Yes	
BELIZE	1,179		1,179	2003 (p) - 2004	Yes	
BENIN	4,453		4,453	2002 (p) - 2004	Yes	
BHUTAN	-		-	-	Yes	
BOLIVIA	22,407		22,407	2002 (p) - 2004	Yes	
BOSNIA AND HERZEGOVINA	2,857		2,857	2004 (p)	Yes	
BOTSWANA	9,474		9,474	2004 (p)	Yes	
BRAZIL	18,967,252	79,049	19,046,301	1995 (p)- 2004	No	12,545,250
BULGARIA	11,930		11,930	2004 (p)	Yes	
BURKINA FASO	-		-	-	Yes	
BURUNDI	67,071		67,071	1993 (p) - 2004	No	65,180
CAMBODIA	6,001		6,001	2002 (p) - 2004	Yes	
CAMEROON	5,736		5,736	2004 (p)	Yes	
CAPE VERDE	96,818		96,818	1991 (p) - 2004	No	94,920
CENTRAL AFRICAN REPUBLIC	112,181		112,181	1989 (p) - 2004	No	110,280
CHAD	95,288		95,288	1991 (p) - 2004	No	93,390
CHILE	361,427		361,427	2003 (p) - 2004	Yes	
CHINA	1,484,329		1,484,329	2004 (p)	Yes	
COLOMBIA	401,198		401,198	2002 (p) - 2004	Yes	
COMOROS	135,360		135,360	1986 (p) - 2004	No	133,460
CONGO, REPUBLIC OF	1,818		1,818	2002 (p) - 2004	Yes	
COSTA RICA	125,765	25	125,790	1995 (p) - 2004	No	69,660
CÔTE D'IVOIRE	-		-	-	Yes	
CROATIA	-		-	-	Yes	
CUBA	55,134		55,134	2003 (p) - 2004	Yes	
CYPRUS	-		-	-	Yes	
CZECH REPUBLIC	1,915		1,915	2004 (p)	Yes	
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	12,434		12,434	2003 (p) - 2004	Yes	
DEMOCRATIC REPUBLIC OF THE CONGO	125,868		125,868	1989 (p) - 2004	No	115,290
DENMARK	711,411		711,411	2004 (p)	Yes	
DJIBOUTI	94,266		94,266	1991 (p) - 2004	No	92,370
DOMINICA	1,266		1,266	2003 (p) - 2004	Yes	
DOMINICAN REPUBLIC	373,752	2,102	375,854	1986 (p) - 2004	No	311,340

	Outstanding assessed contributions	WCF 2004 due	Total due	Years	Voting rights[a]	Minimum payment to gain voting rights
ECUADOR	22,519		22,519	2004 (p)	Yes	
EGYPT	149,236		149,236	2003 (p) - 2004	Yes	
EL SALVADOR	193,877	1,747	195,624	1988 - 2004	No	144,180
EQUATORIAL GUINEA	135,360		135,360	1986 (p) - 2004	No	133,460
ERITREA	1,263		1,263	2003 (p) - 2004	Yes	
ETHIOPIA	-		-	-	Yes	
FIJI	3,480		3,480	2004 (p)	Yes	
FINLAND	526,870	154	527,024	2004	Yes	
FRANCE	-		-	-	Yes	
GABON	52,517		52,517	2001 (p) - 2004	No	13,140
GAMBIA	74,787		74,787	1992 (p) - 2004	No	72,890
GEORGIA	1,603,993		1,603,993	1992 (p) - 2004	No	1,589,730
GERMANY	4,616,011		4,616,011	2004 (p)	Yes	
GHANA	6,222		6,222	2003 (p) - 2004	Yes	
GREECE			-	-	Yes	
GRENADA	77,662		77,662	1992 (p) - 2004	No	75,770
GUATEMALA	26,464		26,464	2003 (p) - 2004	Yes	
GUINEA	2,509		2,509	2004 (p)	Yes	
GUINEA-BISSAU	117,491		117,491	1988 (p) - 2004	No	115,600
GUYANA	2,456		2,456	2001 (p) - 2004	No	560
HAITI	1,833		1,833	2004 (p)	Yes	
HONDURAS	-		-	-	Yes	
HUNGARY	-		-	-	Yes	
INDIA	200		200	2004 (p)	Yes	
INDONESIA	201,867	98	201,965	2004 (p)	Yes	
IRAN (ISLAMIC REPUBLIC OF)	699,043		699,043	2002 (p) - 2004	Yes	
IRAQ	1,835,139	10,582	1,845,721	1991 (p) - 2004	No	1,492,020
IRELAND	296,745	71	296,816	2004 (p)	Yes	
ISRAEL	396,996		396,996	2004 (p)	Yes	
ITALY	5,112,007	1,892	5,113,899	2004	Yes	
JAMAICA	15,142		15,142	2001 (p) - 2004	No	4,570
JAPAN	15,620,000		15,620,000	2004	Yes	
JORDAN	7,695		7,695	2004 (p)	Yes	
KAZAKHSTAN	524,106		524,106	1998 (p) - 2004	No	443,860
KENYA	7,595		7,595	2004 (p)	Yes	
KUWAIT	139,679		139,679	2004 (p)	Yes	
KYRGYZSTAN	376,432		376,432	1993 (p) - 2004	No	374,540
LAO PEOPLE'S DEMOCRATIC REPUBLIC	-		-	-	Yes	
LEBANON	31,607		31,607	2002 (p) - 2003	Yes	
LESOTHO	539		539	2004 (p)	Yes	
LIBERIA	106,681		106,681	1990 (p) - 2004	No	104,790
LIBYAN ARAB JAMAHIRIYA	41,784		41,784	2004 (p)	Yes	
LITHUANIA	352,280		352,280	1996 (p) - 2004	Yes	Payment Plan [b]
LUXEMBOURG	76,374		76,374	2004 (p)	Yes	
MADAGASCAR	554		554	2004 (p)	Yes	
MALAWI	40,184		40,184	1996 (p) - 2004	No	34,310
MALAYSIA	225,773		225,773	2004 (p)	Yes	
MALDIVES	243		243	2004 (p)	Yes	
MALI	21,113		21,113	1998 (p) - 2004	No	15,240
MALTA	13,412		13,412	2004 (p)	Yes	
MAURITANIA	114,685		114,685	1988 (p) - 2004	No	112,800
MAURITIUS	-		-	-	Yes	

	Outstanding assessed contributions	WCF 2004 due	Total due	Years	Voting rights[a]	Minimum payment to gain voting rights
MEXICO	1,034,068		1,034,068	2004 (p)	Yes	
MONACO	4,040	125	4,165	2004	Yes	
MONGOLIA	539		539	2004 (p)	Yes	
MOROCCO	41,973		41,973	2004 (p)	Yes	
MOZAMBIQUE	617		617	2004 (p)	Yes	
MYANMAR	13,155		13,155	2003 (p) - 2004	Yes	
NAMIBIA	6,618		6,618	2004 (p)	Yes	
NEPAL	3,729		3,729	2004 (p)	Yes	
NETHERLANDS	1,754,218	649	1,754,867	2004 (p)	Yes	
NEW ZEALAND	243,246	118	243,364	2004 (p)	Yes	
NICARAGUA	135,346		135,346	1986 (p) - 2004	No	133,450
NIGER	96,853		96,853	1991 (p) - 2004	No	94,960
NIGERIA	154,993		154,993	2002 (p) - 2004	Yes	
NORWAY	652,029	249	652,278	2004	Yes	
OMAN	-		-	-	Yes	
PAKISTAN	57,833		57,833	2004 (p)	Yes	
PANAMA	19,529		19,529	2003 (p) - 2004	Yes	
PAPUA NEW GUINEA	10,818		10,818	2003 (p) - 2004	Yes	
PARAGUAY	73,680		73,680	1999 (p) - 2004	No	28,270
PERU	414,860		414,860	2001 (p) - 2004	No	79,330
PHILIPPINES	127,871		127,871	2003 (p) - 2004	Yes	
POLAND	-		-	-	Yes	
PORTUGAL	466,314	132	466,446	2004	Yes	
QATAR	32,131		32,131	2004 (p)	Yes	
REPUBLIC OF KOREA	1,868,272	622	1,868,894	2004	Yes	
REPUBLIC OF MOLDOVA	874,771		874,771	1993 (p) - 2004	No	868,900
ROMANIA	104,898		104,898	2003 (p) - 2004	Yes	
RUSSIAN FEDERATION	-		-	-	Yes	
RWANDA	9,946		9,946	1999 (p) - 2004	No	8,050
SAINT KITTS AND NEVIS	617		617	2004 (p)	Yes	
SAINT LUCIA	3,825		3,825	2003 (p) - 2004	Yes	
SAINT VINCENT AND THE GRENADINES	111,651		111,651	1989 (p) - 2004	No	109,760
SAO TOME AND PRINCIPE	135,360		135,360	1986 (p) - 2004	No	133,460
SAUDI ARABIA	521,755		521,755	2004 (p)	Yes	
SENEGAL	3,998		3,998	2004 (p)	Yes	
SERBIA AND MONTENEGRO	20,217		20,217	2003 - 2004	Yes	
SEYCHELLES	47,818		47,818	1995 (p) - 2004	No	41,940
SIERRA LEONE	83,078		83,078	1992 (p) - 2004	No	81,180
SLOVAKIA	-		-	-	Yes	
SLOVENIA	413,538	994	414,532	1999 (p) - 2004	No	185,200
SOMALIA	135,359		135,359	1986 (p) - 2004	No	133,460
SOUTH AFRICA	-		-	-	Yes	
SPAIN	2,542,254	940	2,543,194	2004	Yes	
SRI LANKA	-		-	-	Yes	
SUDAN	10,192		10,192	2003 (p) - 2004	Yes	
SURINAME	43,512		43,512	1996 (p) - 2004	No	37,640
SWAZILAND	1,534		1,534	2004 (p)	Yes	
SWEDEN	-		-	-	Yes	
SWITZERLAND	-		-	-	Yes	
SYRIAN ARAB REPUBLIC	76,734		76,734	2004 (p)	Yes	
TAJIKISTAN	277,792		277,792	1993 (p) - 2004	No	275,900
THAILAND	361,472		361,472	2003 (p) - 2004	Yes	

	Outstanding assessed contributions	WCF 2004 due	Total due	Years	Voting rights[a]	Minimum payment to gain voting rights
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	11,746		11,746	2002 (p) - 2004	Yes	
TIMOR-LESTE	1,378	74	1,452	2003 - 2004	Yes	
TOGO	73,178		73,178	1993 (p) - 2004	No	71,280
TONGA	-		-	-	Yes	
TRINIDAD AND TOBAGO	29,439		29,439	2003 (p) - 2004	Yes	
TUNISIA	30,794		30,794	2003 (p) - 2004	Yes	
TURKEY	444,105	186	444,291	2004	Yes	
TURKMENISTAN	210,665	260	210,925	1995 (p) - 2004	No	202,730
UGANDA	1,955		1,955	2004 (p)	Yes	
UKRAINE	6,855,472		6,855,472	1995 (p) - 2004	Yes	Payment Plan [b]
UNITED ARAB EMIRATES	192,356		192,356	2004 (p)	Yes	
UNITED KINGDOM	-		-	-	Yes	-
UNITED REPUBLIC OF TANZANIA	-		-	-	Yes	
URUGUAY	273,022		273,022	2001 (p) - 2004	No	45 370
UZBEKISTAN	480,220		480,220	1997 (p) - 2004	No	449,210
VANUATU	79,047		79,047	1992 (p) - 2004	No	77,150
VENEZUELA	229,394		229,394	2003 (p) - 2004	Yes	
VIET NAM	15,691		15,691	2004 (p)	Yes	
YEMEN	5,705		5,705	2003 (p) - 2004	Yes	
ZAMBIA	57,534		57,534	1994 (p) - 2004	No	51,660
ZIMBABWE	14,765		14,765	2003 (p)	Yes	
Subtotal	**88,298,959**	**100,419**	**88,399,378**			**24,948,170**
YUGOSLAVIA (former)[c]	2,081,702		2,081,702	1990 (p) - 2001		
Non-Member: UNITED STATES OF AMERICA[d]	69,206,348		69,206,348	1994 (p) - 1996		
TOTAL	**159,587,009**	**100,419**	**159,687,428**			**24,948,170**

Summary of outstanding assessed contributions by year	Euros
1986 / 1987	103,840
1988 / 1989	191,118
1990 / 1991	1,269,229
1992 / 1993	2,047,943
1994 / 1995	45,933,170
1996 / 1997	40,107,878
1998 / 1999	8,549,450
2000 / 2001	6,194,633
2002 / 2003	8,628,786
Subtotal	
2004	46,560,962
TOTAL	**159,587,009**

Notes:

(p) refers to partial payment.

[a] Voting rights of 49 Member States have been suspended in accordance with Article 5.2 of the Constitution of UNIDO.

[b] In General Conference decisions GC.10/12-14 and GC.9/Dec.12, voting rights of Azerbaijan, Belarus, Lithuania and Ukraine were restored in accordance with Article 5.2 of the Constitution.

[c] Outstanding contribution to be resolved.

[d] Member State of UNIDO until 31 December 1996.

Since 1 March 2004, the following Member States have paid:

Belarus	Second instalment of payment plan.
Guyana	2004 (partial)—has regained voting rights.
Jamaica	2002 (partial)—has regained voting rights. Total number reduced to 47.
Monaco	2004 (full).
Romania	2004 (full).

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United Nations Industrial Development Organization

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Industrial Development Board

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Item 13 of the provisional agenda

DATE AND PLACE OF THE ELEVENTH SESSION OF THE GENERAL CONFERENCE

Note by the Secretariat

In compliance with General Conference resolution GC.10/Res.11, reports on the consultations with the Government of Colombia concerning the offer of the Government to host the eleventh session of the General Conference at Cartagena de Indias in 2005, including the financial implications.

Introduction

1. At its tenth session the General Conference adopted resolution GC.10/Res.11 on date and place of its eleventh session. The Conference took note with appreciation of the kind offer of Colombia to host the session at Cartagena de Indias in 2005. It also requested the Director-General to undertake the necessary consultations with the Government of Colombia with particular regard to the financial implications deriving from holding the eleventh session at Cartagena de Indias, and to submit a report on the result to the Board for decision.

2. On 12 February 2004 a meeting was convened with representatives of the Permanent Mission of Colombia and the UNIDO Secretariat to discuss the steps required for implementing the General Conference resolution, with particular attention to the financial implications deriving from holding the eleventh session of the Conference at Cartagena de Indias.

I. FACILITIES

3. The Cartagena de Indias Convention Centre is recognized as a state-of-the-art facility, and has been the successful venue of recent major conferences, including some sponsored by United Nations organizations. There are ample air-conditioned conference rooms, offices and interpretation facilities. Arrangements have been initiated for a site inspection to evaluate specific aspects. The Centre is not owned by the Government, and therefore its use would be subject to a special agreement.

4. The city of Cartagena boasts an excellent infrastructure, telecommunication links and a wide range of restaurants and hotels in various categories, including some near the Convention Centre, and an international airport.

II. FINANCIAL ARRANGEMENTS

5. The meeting between the Permanent Mission and the Secretariat underlined that the basis for determining the financial arrangements for holding a session away from Vienna was rule 8 of the Rules of Procedure of the General Conference, which states: "The actual additional costs directly or indirectly involved in holding a session away from the seat of the Organization shall be borne by the host Government." As was the case for previous sessions held away from

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Headquarters, an agreement would be drawn up in which the financial obligations of the Government are specified, as well as other aspects, such as transport, police protection and local personnel are outlined.

6. It was reiterated that the previous sessions of the Conference held outside Vienna (the second and fifth sessions) had taken place in 1987 (Bangkok) and 1993 (Yaoundé), respectively. Therefore, the available precedents for additional costs to be borne by the host Government were based on the prevailing practice of those years. For initial estimating purposes, those costs were updated to take account of inflation and current travel costs, also taking account of interim developments, such as remote translation and typing. The estimates were made available to the Permanent Mission in mid-2003 as preliminary information, together with a detailed list of requirements in terms of conference rooms, offices, equipment, other facilities and local support staff. The estimates shown in table 1 of the annex to the present document represent a further revision, taking account of more recent developments, including travel costs, daily subsistence allowance rates, staffing requirements, etc.

7. At the 12 February 2004 meeting it was recognized that certain aspects of recent Conference sessions presented complications in determining precisely the "actual additional costs directly or indirectly involved" in holding a session away from Vienna. These costs relate to various side events, such as round tables and the industrial development forum, and the presence of Heads of State and other dignitaries. Whereas positive feedback from the introduction of these elements left no doubt as to the advisability of continuing that approach (see, for example, resolution GC.10/Res.1), they are not necessarily considered an official part of the actual legislative session.

8. Therefore, associated expenses may be subject to interpretation for the assignment of financial responsibility. As demonstrated in the tenth session, there is some flexibility for introducing innovative elements in Vienna owing to existing arrangements and the layout of the Austria Center Vienna (ACV). Some examples of the type of expenses that arise in this respect are:

- Rental of rooms for round tables;
- Interpretation costs for round tables (Selected interpretation was provided for round tables held in the context of the tenth session. For a session held in Latin America, it is envisaged that interpretation at least into Spanish would be required for any round tables);
- Difference in travel costs for keynote speakers in round tables, compared with travel to Vienna (including official entitlements for stopovers and daily subsistence allowance);
- Additional costs arising from the presence of Heads of State and other dignitaries (security, landing fees, etc.), compared to costs in Vienna.

The responsibility for covering these costs would have to be clarified in the event that the Conference is held outside Vienna. Estimated costs associated with side events during the tenth session of the General Conference are shown in table 2 of the annex to the present document.

9. Another consideration is that of recent security issues with respect to United Nations installations. Whereas two security officers were present at Yaoundé for the fifth session of the Conference, interim developments in recent years require a stronger security presence for a major meeting.

III. DATE OF THE SESSION

10. The meeting confirmed that the dates booked with the ACV management for the eleventh session (28 November-2 December 2005) would also be suitable should the session be held at Cartagena de Indias.

IV. ACTION REQUIRED OF THE BOARD

11. The Board is invited to take note of the information contained in the present document and decide on the date and place of the eleventh session of the Conference.

Annex

ESTIMATED COSTS

Table 1. Covered by host country[a]

	Estimated cost (In US dollars)
Preparatory missions (3 missions composed of 2-5 staff members each, including entitlements for staff at various levels)	56,000
Staff travel—150 staff at various levels (UNIDO: approximately 50; UNOV approximately 100, including Conference Services, Documents Control, Documents Distribution, Security[b], interpreters[c])	1,140,000
- Based on entitlement Vienna-Cartagena-Vienna as of April 2004 (includes 3 travel days each direction)	
- Staggered, function-related arrival dates	
Tickets $768,000 (business class), terminal expenses $36,000, DSA $336,000	
Shipment (2,400 kg air freight based on April 2004 rates)	8,000
- Includes conference documents and files, conference and reference material, security/ registration material (assuming local availability of sufficient EDP equipment and photocopy paper)	
Replacement staff (personnel costs for 10 replacement staff to cover headquarters meetings during UNOV staff absence from Vienna)	12,000
Total	**$1,216,000**
Conference premises, equipped and furnished as per specifications (PCs/printers, presentation, reproduction and photocopying equipment, screen, video, etc.)	Undetermined
Local support staff (approximately 50)	Undetermined
Other local facilities (bank, medical, post office, travel agency, etc.)	Undetermined
Local transportation (including some cars with drivers) from hotels to conference centre	Undetermined

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[a] Does not reflect any special arrangements negotiated by host country, such as special daily subsistence allowance based on government-provided accommodation, or special group air fares.

[b] Travel of security officers calculated from Vienna (i.e. "worst-case" scenario).

[c] Translators and editorial staff work via remote translation, therefore travel required only for eight précis writers preparing summary records. Travel of interpreters calculated from Vienna (i.e. "worst-case" scenario).

Table 2. Side events

	Euros
Fees	30,000
Travel and DSA	72,000
Facilities (rooms, equipment, etc.)	3,000
Printing	3,000
Total	**108,000**

Notes

1. Amounts are approximate, based on round tables and Industrial Development Forum held during the tenth session of the General Conference.

2. Does not reflect costs associated with presence of Heads of State and other dignitaries who were not directly involved in round tables.

3. As interpretation for round tables was provided on an "as available" basis, no additional costs were incurred.

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United Nations Industrial Development Organization

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MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS

Applications from non-governmental organizations for consultative status

Note by the Director-General

Provides information on the following non-governmental organizations applying for consultative status with UNIDO: Oasis Open City Foundation (FOCA), International Centre for Trade and Sustainable Development (ICTSD) and International Investment Center (IIC).

1. In accordance with Article 19.1 (b) of the Constitution of UNIDO and the Guidelines for the Relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (decision GC.1/Dec.41), in particular paragraph 17 of the annex thereto, information on three non-governmental organizations (NGOs) seeking consultative status with UNIDO is circulated to the members of the Board in the annex to the present document. More detailed information on the NGOs is available with the Secretariat.

2. Paragraph 17 of the annex to the Guidelines stipulates that the Board shall establish appropriate procedures for reviewing applications from NGOs for consultative status. To facilitate and accelerate its work, the Board may wish to follow the practice established at previous sessions and request the Bureau of the Board to review the application of, and information on, the three NGOs referred to in the annex to the present document and to submit its recommendations to the Board for consideration at its current session.

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Annex

NON-GOVERNMENTAL ORGANIZATIONS APPLYING FOR CONSULTATIVE STATUS

Page

Oasis Open City Foundation (FOCA) 2
International Centre for Trade and Sustainable Development (ICTSD) 3
International Investment Center (IIC) 4

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OASIS OPEN CITY FOUNDATION (FOCA)

Historical background

FOCA was founded in 1989 in order to promote the concept of the open city as a place of reconciliation of the cultural values of civil society, such as environment, social cohesion, economic growth and access to services for everybody. FOCA develops programmes, projects and activities so as to improve the quality of life and facilitate the harmonic integration of human beings with nature, economic growth and the environment.

Statutes

Available

Structure of governing bodies and administration

- General Assembly
- Administrative Council
- Fiscal Council
- Consultative Council
- Honours Council
- Executive Directors

Activities related to the work of UNIDO

FOCA focuses on sustainable territorial development and educational programmes carried out especially in rural municipalities and areas. Within that context, it implements projects and programmes in the following areas:

- Agriculture development: One of FOCA's most significant projects is Biopolis, a local development initiative aiming at the revitalization of the state of Paraná. Biopolis is developing a sustainable agriculture and food-processing industry and converting local resources into saleable products and services, while creating a quality trademark of the area so as to promote products and services. Furthermore, an overall strategy, capable of integrating and interlinking sectors of activities and local players, has been designed;
- Territorial enhancement and development: Important initiatives are Guaraqueçaba laboratory park, Amazon programme, national consortium for recycling, Open City Certification (OCC) and the Brasilia Declaration on Rural Municipalities Sustainability;
- Environment and research: The project of ecological studies of long duration (PLOT) and carbon sequestration studies address ecosystems;
- Education: FOCA undertakes activities in the field of communities' empowerment and educational programmes for citizen and child development. It established the University for the Future providing a post-graduate programme for teachers and technical specialization courses;
- Health and safety: A health bank was established to provide poor communities with basic health services.

Relations with the United Nations and other IGOs

ECOSOC (consultative status), UNESCO, FAO.

Relations with NGOs

Relations with: Luso-American Development Foundation (FLAD), Massachusetts Institute of

Technology, Florida University, Columbia University, Rome University, International Network of Biennial International Environmental Communication Conference (BICA).

Membership

Individuals and NGOs in Angola, Brazil, Italy and Portugal. Membership is open to companies.

Address of headquarters

Head office:
Fagundes Varela 41
Jardim social Curitiba - Paraná
CEP 82510-970
Curitiba PR
Brazil

Mail address:
C.P. 4019
CEP 82501-970
Curitiba PR
Brazil

Tel: + 55-41-30272828
Fax: +55-41-3621616
E-mail: foca@foca.org.br
Web site: www.foca.org.br

INTERNATIONAL CENTRE FOR TRADE AND SUSTAINABLE DEVELOPMENT (ICTSD)

Historical background

ICTSD was founded in 1996, to contribute to a better understanding of development and environment concerns in the context of international trade.

It fosters sustainable development as the objective of international trade policy-making and participatory decision-making. It promotes the interests and activities of the non-governmental community in trade and sustainable development and endeavours to make international policy makers and trade officials aware of the NGO community's activities in the area of trade, development and environment.

Statutes

Available

Structure of governing bodies and administration

- Governing Board
- Stakeholder Forum

Activities related to the work of UNIDO

ICTSD believes that industrial activities lie at the heart of many developing countries' development strategies as they provide invaluable opportunities for these countries to upgrade their activities from natural resource exploitation towards building value-added activities. ICTSD therefore:

- Facilitates interaction between policy makers and those outside the system to help trade policy become more supportive of sustainable development. This endeavour is pursued through informal off-the-record meetings, informal briefings, virtual dialogues, policy dialogues and large-scale conferences;
- Cooperates with various international agencies through collaborative reporting, active dissemination of outputs from those bodies and reporting on their activities, research-based initiatives and joint policy dialogue;
- Organizes a research, documentation and support services programme, which includes capacity-building and training for trade and sustainable development. It contributes to partner research and bringing trade and sustainability perspectives to discussion and policy-making forums. It also provides reports that factor sustainable development into trade issues;
- Pursues sector-specific projects that incorporate elements of each programme;
- Publishes monthly and weekly periodicals, books and ad hoc papers that communicate news and provide analyses.

Relations with the United Nations and other IGOs

United Nations, ECOSOC (consultative status), UNCTAD, WIPO, WTO, Convention on Biological Diversity (CBD), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), United Nations Framework Convention on Climate Change (UNFCCC).

Relations with NGOs

Relations with Trade Knowledge Network, Frati Initiative on Intellectual Property and Development, Geneva Environment Network, Concerted Action on Trade and Environment, Gruppo Zapallar.

Membership

Founding members: Consumer Unity and Trust Society (India), Fundación Futuro Latinamericano (Ecuador),

International Institute for Sustainable Development (Canada), Swiss Coalition of Development Organizations (Switzerland), World Conservation Union (Switzerland).

Address of headquarters

Head office:
International Environment House
13 Chemin des Anémones
1219 Châtelaine
Geneva
Switzerland

Mail address:
13 Chemin des Anémones
CH-1219 Geneva
Switzerland

Tel: +41-22-917-8492
Fax: +41-22-917-8093
E-mail: ictsd@ictsd.ch
Web site: www.ictsd.org

INTERNATIONAL INVESTMENT CENTER (IIC)

Historical background

IIC was registered as an international non-profit, non-governmental organization on 5 February 2001. Its general aims and purposes, as laid down in its charter, are: the provision of sustainable economic and democratic development on the basis of mutual benefit, development of small and medium-sized business and international business promotion, agro-industry, human rights protection, development of education and international understanding, youth employment, and support to United Nations activities.

Statutes

Available

Structure of governing bodies and administration

- Board of Directors
- President
- Director

Activities related to the work of UNIDO

IIC aims at enhancing inward and outward investment into and from the Russian Federation. IIC therefore:

- Implements research and educational activities, organizes seminars and fairs, trade missions and partner searches.
- Provides consulting on local and federal legislation, customs and tax regulations, transportation services;
- Provides contacts with local businessmen, local administration and political leaders;
- Implements market research and advertising;
- Provides translation services into English and Russian;
- Organizes business-tourism;
- Participates in international fairs;
- Provides authentic information services.

Relations with the United Nations and other IGOs

UNECE, ECOSOC (special consultative status), UNCTAD/WTO Trade Point Programme, EBRD.

Relations with NGOs

Moscow Eastern Interregional Chamber of Commerce, Union of Agricultural Cooperatives, Agricultural Cooperative Development International/ International Volunteers in Overseas Cooperative Assistance, Lombardy Chamber of Commerce, Milan Chamber of Commerce, Veneto Chamber of Commerce.

Membership

Individuals and non-profit organizations (see above) in Italy, India, Nepal, the Russian Federation, Ukraine and USA.

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E-mail: sth@yaroslavl.ru
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MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS

Applications from non-governmental organizations for consultative status

Note by the Director-General

Addendum

Provides information on the following non-governmental organization applying for consultative status with UNIDO: International Network for Small and Medium Sized Enterprises (INSME).

Since the publication of document IDB.28/12, the above-mentioned application from a non-governmental organization (NGO) for consultative status, in accordance with Article 19.1 (b) of the Constitution of UNIDO, has been received. Information on the organization is circulated to the Board in the annex to the present document. More detailed information on the organization is available with the Secretariat.

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Annex

NON-GOVERNMENTAL ORGANIZATIONS APPLYING FOR CONSULTATIVE STATUS

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INTERNATIONAL NETWORK FOR SMALL AND MEDIUM SIZED ENTERPRISES (INSME)

Historical background

INSME was established in 2000 on the ideas and principles discussed at the first OECD ministerial conference on SMEs and globalization. It was formally founded under Italian law in 2004 in order to foster transnational cooperation and public-private partnership in the field of innovation and technology transfer to small and medium enterprises (SMEs). Since adequate access to innovation is a key factor for enterprises to be competitive, INSME stimulates SMEs' innovation processes and competitiveness by promoting and strengthening innovation services and transnational technology transfer provided by intermediaries and their networks.

Statutes

Available

Structure of governing bodies and administration

- General assembly of official representatives
- Board
- Secretary General
- Auditors Committee

Activities related to the work of UNIDO

Through a wide range of initiatives and services, INSME acts as a facilitator and catalyst for cooperation between its members, promoting linkages and partnerships on a sectoral and thematic basis at an international and regional level. As an information hub and a multiplier of cross-border contacts and opportunities, INSME provides added value to its members in the following fields:

- Promotion: INSME increases the visibility and access to members' services and skills by offering tools and occasions to showcase activities, projects and programmes;
- Partnerships: It launches joint projects on a voluntary basis, creates new partnerships for business opportunities, participates directly in calls for tenders as a leader or partner organization and involves its members on a case-by-case basis;
- Transnational technology transfer: It provides on-line standard and customized services through its information hub, the INSME portal;
- Lobbying activities and advocacy: It supports the reputation and the role played by intermediaries in SME creation and economic development, and their recognition by Governments and international financing institutions;
- Know-how and staff exchange: INSME facilitates the exchange of expertise, professionals and good practices within its network. A number of online thematic working groups are already active;
- Studying SME innovation trends: It represents an observatory for mapping and monitoring SME innovation policies and financial instruments at national and international level, as well as good practices in this area in order to inspire the definition of new political guidelines.

Relations with the United Nations and other IGOs

UNCTAD, UNESCO, UNECE (United Nations Economic Commission for Europe), UNESCAP (United Nations Economic Commission for Asia and the Pacific), UNAPCTT (United Nations Asian and Pacific Centre for Transfer of Technology), UNOPS and World Intellectual Property Organization (WIPO).

Relations with NGOs

International Organisation for Knowledge Economy and Enterprise Development (IKED), International Society for Professional Innovation Management (ISPIM), Latin American Technology Information Network (RITLA) and Centre for Innovation Research.

Membership

INSME membership is open to public and private bodies from any geographical area worldwide dealing with SME innovation and technology transfer issues. Three types of membership are offered:

- Full membership;
- Associate membership;
- Membership as observer.

The association welcomes applications from international organizations and international NGOs, intermediaries and their networks at subnational, national, regional or international level, as well as government departments and national/subnational institutes and agencies.

ISME members as of May 2004: International NGOs (see above), government departments, national/subnational institutes and intermediaries from Austria, Belgium, Cyprus, Czech Republic, Egypt, Italy, Mexico, Poland, Romania, Spain, Switzerland and Turkey.

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